

## **EXHIBIT G**

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF MARYLAND**

<b>IN THE MATTER OF THE COMMISSION'S</b>	<b>*</b>	
<b>INQUIRY INTO VERIZON MARYLAND INC.'S</b>	<b>*</b>	
<b>PROVISION OF LOCAL EXCHANGE</b>	<b>*</b>	<b>CASE NO. 9123</b>
<b>TELEPHONE SERVICE OVER FIBER</b>	<b>*</b>	
<b>OPTIC FACILITIES.</b>	<b>*</b>	
	<b>*</b>	

**DIRECT TESTIMONY AND EXHIBITS  
OF  
ANNIE M. ECKERT**

**ON BEHALF OF THE STAFF  
OF THE  
PUBLIC SERVICE COMMISSION OF MARYLAND**

**June 19, 2008**

## **TABLE OF CONTENTS**

Introduction.....	1
Summary of Conclusions and Recommendations .....	3
Purpose of Testimony .....	3
Background Information Concerning OER’s Tracking of Consumer Disputes .....	4
Functional and Operational Differences of Telephone Service Provisioned Over the Fiber Network .....	7
OPC ISSUES:	
Issue 1: The adequacy of Verizon’s consumer notice and disclosure of information about the functional and operational service differences of FiOS telephone service versus traditional service over copper facilities.....	11
Issue 3: Whether Verizon has engaged in and continues to engage in the tying of FiOS telephone service to the purchase of other FiOS services.....	24
Customer’s Requesting Return to Copper Service .....	25
Conclusions and Recommendations .....	28

1 **INTRODUCTION**

2

3 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

4

5 A. My name is Annie M. Eckert. My business address is 6 St. Paul Street,  
6 Baltimore, Maryland 21202.

7

8 Q. WHAT IS YOUR OCCUPATION?

9

10 A. I am employed by the Maryland Public Service Commission, Office of External  
11 Relations, as an Administrative Officer III.

12

13 Q. BRIEFLY DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

14

15 A. I have been employed by the Maryland Public Service Commission (“PSC” or  
16 “Commission”) for 26 years. During that time, I have held positions in various  
17 divisions within the Commission. In 1991, I took the position of Utility Affairs  
18 Specialist (“UAS”) within the Office of External Relations (“OER”). Since  
19 January 4, 1995, I have held my current position of Administrative Officer.

20

21 Q. DESCRIBE BRIEFLY OER’S FUNCTION AT THE COMMISSION, AND  
22 SPECIFICALLY THE POSITION YOU HOLD AS ADMINISTRATIVE  
23 OFFICER.

24

25 A. Section 20.32 of the Code of Maryland Regulations (“COMAR”) governs the  
26 Commission’s dispute procedures. Pursuant to these procedures, OER is  
27 responsible for investigating and responding to consumer inquiries and disputes  
28 filed against all public service companies under the Commission’s jurisdiction.  
29 This includes electric, gas, combination gas and electric, telephone, and water  
30 companies. A dispute is defined as “a disagreement between a utility and a

1 customer regarding provision of utility service, disputed bills, billing practices, or  
2 terminations of service.” Pursuant to COMAR 20.32.01.04F, OER is responsible  
3 for initiating a review and investigation to resolve the matter at an informal level.  
4 OER’s investigation includes but is not limited to (1) obtaining information from  
5 the customer and utility; (2) reviewing applicable statutes, regulations and  
6 company tariffs; and (3) mediating between the two parties.

7 As an Administrative Officer, I am one of two supervisors. My duties  
8 include:

- 9 • Meeting regularly with OER’s Manager, who is the agency’s  
10 spokesperson regarding caseloads and assignments, general office  
11 procedures, and any issues that may need to be brought to the  
12 Commission’s attention.
- 13 • Drafting letters for the Chairman’s signature regarding disputes filed with  
14 the Governor and elected officials.
- 15 • Arranging for training for OER staff and developing form letters, talking  
16 points, and fact sheets for OER staff to use in talking with consumers.
- 17 • Providing day-to-day guidance to six Utility Affairs Specialists (“UAS”)  
18 regarding their cases and current Commission activities.
- 19 • Reviewing and assigning all written disputes filed with OER.
- 20 • Maintaining my own caseload and investigating consumer disputes.

21  
22 Q. BRIEFLY ELABORATE ON THE EXTENT OF YOUR CUSTOMER  
23 SERVICE EXPERIENCE WITH THE PSC.

24  
25 A. I have been interacting with the public, by telephone, in person, and in writing for  
26 seventeen years. In 2007, I personally investigated 442 gas and electric  
27 complaints, 264 telephone complaints, three water company complaints, and 39  
28 miscellaneous inquiries. Because of my efforts, service or billing issues have  
29 been resolved and/or adjustments have been applied to a consumer’s bill by the  
30 utility.

1 Q. HAVE YOU EVER TESTIFIED IN A PROCEEDING BEFORE THE PUBLIC  
2 SERVICE COMMISSION?

3

4 A. Yes. In 1998 I provided testimony in Case No. 8776, *In the Matter of the Inquiry*  
5 *into Certain Unauthorized Practices by Telephone Service Providers*.

6

7

8 **SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS**

9

10 Q. PLEASE SUMMARIZE YOUR CONCLUSIONS AND  
11 RECOMMENDATIONS.

12

13 A. After performing my own analysis of the answers that have been supplied by  
14 Verizon to Staff's data requests and reading the concerns that have been raised by  
15 consumers who contacted OER, I have concluded that Verizon should not migrate  
16 a consumer's telephone service to fiber without first obtaining the consumer's  
17 consent. In addition, Verizon should be required to provide clear and conspicuous  
18 notice to consumers regarding the telephone service conversion from copper to  
19 fiber. The notice should be separate from any promotional offering or other  
20 material that Verizon distributes to consumers regarding the two FiOS services  
21 that are not regulated by the Commission

22

23 .

24 **PURPOSE OF TESTIMONY**

25

26 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

27

28 A. I will provide comments concerning Issue Nos. (1) and (3) included in the  
29 Request for An Investigation (hereinafter referred to as "the Investigation") filed  
30 by the Maryland Office of People's Counsel ("OPC") on August 9, 2007. The  
31 two issues are as follows:

1 (1) The adequacy of Verizon's consumer notice and disclosure of  
2 information about the functional and operational service  
3 differences of FiOS telephone service versus traditional service  
4 over copper facilities;

5 (3) Whether Verizon has engaged in and continues to engage in the  
6 tying of FiOS telephone service to the purchase of other FiOS  
7 services;

8 In addition, I will provide information concerning disputes that have been filed  
9 with OER as it relates to this proceeding.

10  
11  
12 **BACKGROUND INFORMATION CONCERNING**  
13 **OER'S TRACKING OF CONSUMER DISPUTES**  
14

15 Q. HOW DOES OER TRACK CONSUMER DISPUTES IN GENERAL AND  
16 SPECIFICALLY AS THEY RELATE TO THIS CASE?

17  
18 A. The Commission's Information Technology ("IT") Department has created a  
19 complaint database for OER's sole use. All disputes are assigned a MPSC  
20 complaint number for identification followed by a letter to identify how the  
21 dispute was filed.<sup>1</sup> For each dispute received, OER records the customer's name,  
22 address(es), telephone number(s), and a brief description of the dispute. In order  
23 to track complaints, each dispute is assigned at least one "company code" and  
24 "complaint code". Since some disputes concern more than one company or issue,  
25 it is possible for a dispute to be assigned two or more company codes and two  
26 complaint codes. OER Staff is directed to choose the complaint code that best  
27 describes the customer's dispute. Exhibit No. 1 includes a list of the complaint  
28 codes currently used by OER staff. As new issues occur, additional complaint  
29 codes are added to the list and obsolete codes are archived.

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<sup>1</sup> Complaint numbers ending with an "O" symbolize an oral dispute; "W" is used for disputes filed via the Commission's website, and "L" for all written inquiries.

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Q. WHEN DID OER BEGIN TRACKING DISPUTES CONCERNING VERIZON’S FIBER TO THE PREMISE (“FTTP”) PROJECT?

A. In 2005, OER began receiving disputes from consumers who complained about Verizon’s FTTP project. At that time OER created a general complaint code, **“3333-FiOS disputes/comments”**, to track disputes. OER received sixty-one (61) 3333-FiOS disputes in 2005. However, all but one dispute (MPSC#90574281-L)<sup>2</sup> concerned issues outside the scope of this investigation. A complete summary of all the disputes classified with the 3333 code that were received over the period of January 1, 2005 to June 6, 2008 are included in Exhibit No. 2.

Q. WHEN DID OER BEGIN TO TRACK CONSUMER DISPUTES THAT MORE CLOSELY RELATE TO THE ISSUES IDENTIFIED IN OPC’S AUGUST 2007 REQUEST FOR INVESTIGATION?

A. In late March or early April of 2008, OER created a new complaint code **“7717-Provision of telephone service (copper v. fiber)”** to better track disputes that more closely fit the issues being investigated in Case No. 9123. Once a new code is created, it is not unusual to re-examine earlier disputes to identify older disputes that need to be updated and reclassified with the new complaint code. A summary of all the disputes with the 7717 code covering the period January 1, 2005 to June 6, 2008 are included in Exhibit No. 3.

Q. FOR THE CALENDAR YEARS 2005, 2006, 2007 AND UP THROUGH JUNE 6, 2008, PLEASE PROVIDE THE TOTAL NUMBER OF DISPUTES CLASSIFIED WITH THE 3333 AND 7717 CODES.

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<sup>2</sup> Customer filed written dispute September 7, 2005. Customer claimed they were offered “more reliable” telephone service if they purchased Verizon’s FiOS Internet or Cable service. After OER contacted Verizon, the Company switched the customer’s telephone service to fiber.



1

2 A.

**OER STATISTICAL REPORT OF VERIZON DISPUTES**

<b>Complaint Code</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>TOTALS</b>
3333-FiOS dispute/comments	61	51	83	85	280
7717- Provision of telephone service (copper v. fiber)”	1	2	10	23	36

3

4

5 Q. PLEASE CONFIRM WHETHER OR NOT THE DISPUTES CLASSIFIED  
6 WITH THE 7717 CODE ARE ALSO CLASSIFIED WITH THE 3333 CODE?

7

8 A. It is possible for disputes to have more than one complaint code. With this said,  
9 21 disputes with the 7717 code are also coded as 3333. Likewise, 15 disputes  
10 have been coded with the 7717 code and another complaint code. By doing this,  
11 OER can print one summary report that contains all disputes concerning  
12 Verizon’s FiOS service or we can print a targeted summary report that only  
13 contains disputes concerning a specific issue. For instance OER also created a  
14 code (7714) that is used for bundled billing disputes. If the bundled billing issue  
15 concerned FiOS service, we would enter the following codes: 3333 and 7714.

16

17 Q. EXPLAIN HOW OER PROCESSES THE DISPUTES THAT HAVE BEEN  
18 FILED AGAINST VERIZON.

19

20 A. For disputes filed by telephone or via the Commission’s website  
21 ([www.psc.state.md.us](http://www.psc.state.md.us)), OER will send the dispute electronically to a dedicated  
22 email address provided by Verizon’s Customer Advocacy Group located in  
23 Virginia. The Center Manager is our point of contact for urgent matters or cases  
24 that need to be escalated. In general, all disputes are assigned to a Verizon

1 Specialist who is responsible for providing the response to the OER Investigator.  
2 The written disputes are faxed to a dedicated number and handled in the same  
3 matter.  
4  
5

6 **FUNCTIONAL AND OPERATIONAL DIFFERENCES OF TELEPHONE**  
7 **SERVICE PROVISIONED OVER THE FIBER NETWORK**  
8

9 Q. BRIEFLY STATE HOW VOICE SERVICE OVER VERIZON'S FTTP  
10 NETWORK IS PROVISIONED DIFFERENTLY THAN VOICE SERVICE  
11 OVER THE COPPER NETWORK.  
12

13 A. Different interfaces are needed for the two services. Verizon technicians install a  
14 Network Interface Device ("NID") for customers who receive telephone service  
15 over Verizon's traditional circuit-switched telephone service ("POTS") via the  
16 copper network.  
17

18 During FiOS installation, Verizon will install an Optical Network Terminal  
19 ("ONT") and ONT Power Supply Unit ("OPSU"), which is equipped with a  
20 Battery Back Up ("BBU"). Unlike the NID, the ONT has a power cord that goes  
21 into the customer's home through the OPSU, where it must be plugged into a  
22 standard electrical outlet. The ONT uses electricity that the customer is  
23 responsible for supplying. Electricity supplied at the customer's premise to the  
24 ONT is needed to operate all of the services provided over the FiOS network.  
25

26 Q. WHAT IS THE FUNCTION OF THE BBU?  
27

28 A. According to Verizon, the BBU was added as a safety feature to supply the  
29 customer with additional telephone support time (between four to eleven hours)<sup>3</sup>

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<sup>3</sup> Verizon's response to Staff's Second Data Request, Item 2-1. Verizon stated that in older advertisements "Verizon chose to advertise a four-hour supply because four (4)

1 in the event of a power outage or at any time when the customer does not have  
2 electricity. (See Exhibit No. 4 - Verizon's response to Staff's DR #1, Item 1-22  
3 and Exhibit No. 5 - Verizon Service Guide, Bates 000161 – 000171 included with  
4 the Company's response to Staff DR No.1, Item 1-21).

5

6 Q. HOW IS THE FiOS CONSUMER ALERTED TO THE FACT THAT  
7 ELECTRICITY IS NOT AVAILABLE TO THE ONT OR THAT THE  
8 BATTERY NEEDS TO BE REPLACED?

9

10 A. According to information that Verizon supplied in its response to Staff's First  
11 Data Request, Item 1-21, the OPSU contains a single indicator light that tells the  
12 customer whether electrical power is present. In normal operation the light is  
13 green. The BBU contains a series of indicator lights to tell the customer whether  
14 the service is being powered by the customer's home electricity or the battery.  
15 The BBU also contains an audible alarm that sounds when there are any  
16 problems. The BBU will shut down approximately one hour before the battery is  
17 fully depleted. This is to save some battery life for emergencies. A consumer who  
18 needs to make an emergency telephone call will have to press the Battery  
19 Emergency Use button once to enable the ONT to reboot for up to one hour for  
20 talk time for emergency calls. However, after the button is pushed all remaining  
21 battery life is used. The customer is responsible for replacing the battery as  
22 needed. The average life of the battery is between one and four years.<sup>4</sup>

23

24 Q. WHAT CHANGES IN RESPONSIBILITY ARE THERE FOR CUSTOMERS  
25 WHO RECEIVE TELEPHONE SERVICE FROM VERIZON'S FTTP

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hours was the lower operating extreme for the BBU under extremely cold conditions (e.g., 20 degrees Celsius or lower). At the other extreme, the BBU can support voice service for as many as 11 hours under normal operating conditions; however, the BBU generally is expected to last eight (8) hours."

<sup>4</sup> Reference Verizon Bates 000167-000170 included with Exhibit No. 5.

1 NETWORK THAT DID NOT EXIST WITH SERVICE SUPPLIED THROUGH  
2 THE COPPER NETWORK?

3

4 A. A customer receiving service via Verizon's copper network is responsible for any  
5 customer provided equipment ("CPE") and for the repairs and replacement of the  
6 inside wiring and telephone jacks. A customer receiving service through  
7 Verizon's FTTP continue to bear this responsibility. In addition the FTTP  
8 customer must make available an electric outlet in an area where Verizon installs  
9 the OPSU and BBU. The customer also is responsible for supplying the  
10 electricity to operate this equipment. The customer must learn and understand  
11 how the equipment operates and monitor the equipment to ensure electricity is  
12 provided. Finally, the customer is responsible for purchasing and replacing the  
13 battery in the BBU when the battery is dead.<sup>5</sup>

14

15 Q. DOES VERIZON PROVIDE INFORMATION TO FiOS CUSTOMERS ABOUT  
16 THE DIFFERENCES BETWEEN PHONE SERVICE PROVIDED OVER  
17 COPPER VERSUS FIBER?

18

19 A. Verizon does provide information to customers after the customer orders the  
20 service and the equipment for the service has been installed. The Verizon  
21 technician will give the customer either a FiOS Internet Service Guide and/or  
22 FiOS TV User Guide depending on which service had been installed. Included in  
23 the Guide, along with information about the new service ordered, is information  
24 concerning the differences between FiOS-based phone service and phone service  
25 provisioned over the copper network. The Guide also obtains information about  
26 the equipment that was installed, and tips for "troubleshooting" problems with the

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<sup>5</sup> Per Verizon's answer to Staff DR 2-3, the approximate costs to the customer for replacing the battery is \$16.95. Replacement batteries are available at major electronics outlets and home improvement stores. Verizon will provide customers who contact them with a list of battery replacement vendors.

1 service. After navigating Verizon's website<sup>6</sup> I found similar information on  
2 troubleshooting for FiOS telephone service.

3

4 Q. DO YOU HAVE ANY CONCERNS REGARDING THE LOCATION AT  
5 WHICH VERIZON INSTALLS THE EQUIPMENT NEEDED FOR THE FiOS  
6 SERVICE?

7

8 A. Electricity is needed to operate all services on the FiOS network. For consumers  
9 living in a multi-family dwelling, such as an apartment building or condominium,  
10 Verizon may install the ONT and the BBU in an apartment utility room or closet.<sup>7</sup>  
11 In some cases Verizon may install the equipment in the consumer's living unit.<sup>8</sup>  
12 Access is needed to monitor the ONT and BBU to ensure electricity is provided.  
13 By placing the equipment in an apartment utility room or closet, the telephone  
14 customer might not have easy access to this area. Also a misunderstanding may  
15 arise as to whether the property owner or the telephone customer, who is the  
16 tenant, is responsible for supplying the electricity and replacing the battery when  
17 the equipment is located in the utility room or closet.

18

19 Q. DOES VERIZON HAVE A TARIFF PROVISION ADDRESSING THE  
20 CUSTOMER'S RESPONSIBILITY FOR THE ELECTRIC POWER SUPPLY?

21

22 A. Yes. In October 2004, Verizon filed a tariff revision (General Regulations Tariff  
23 P.S.C. Md. No. 201, E-9) to address the customer's responsibility to supply  
24 electric power and maintain "all necessary power wiring and power outlets at  
25 convenient locations" to operate the FiOS services. The tariff also limits the

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<sup>6</sup><http://www22.verizon.com/ResidentialHelp/Phone/General+Support/FiOS+Phone/FiOS+Phone.htm>.

<sup>7</sup> Reference Verizon's Internet Service Guide, page 3 (Bates 000021).

<sup>8</sup> Reference "About Installation" video included at the following web address:  
<http://www22.verizon.com/content/consumerfios/about+installation/about+installation.htm>

1 Company's liability for telephone service disruptions in the event of a commercial  
2 power failure.<sup>9</sup>  
3  
4

5 **ISSUE 1: The adequacy of Verizon's consumer notice and disclosure of**  
6 **information about the functional and operational service differences of FiOS**  
7 **telephone service versus traditional service over copper facilities.**  
8

9 Q. DOES VERIZON ADVERTISE AND OFFER A PRODUCT CALLED "FiOS  
10 TELEPHONE SERVICE?"  
11

12 A. No. The only FiOS products available from Verizon's website are the FiOS  
13 Internet and FiOS TV. A consumer cannot purchase a service from Verizon  
14 called "FiOS Telephone Service".<sup>10</sup>  
15

16 Q. NAME THE TWO FiOS PRODUCTS THAT VERIZON ADVERTISES AND A  
17 CUSTOMER CAN ORDER?  
18

19 A. A customer may order Verizon's FiOS high speed Internet and/or FiOS TV  
20 service.  
21

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<sup>9</sup> The second paragraph of Verizon's tariff (P.S.C. Md. No. 201, E-9) states that "In the event of a commercial power failure, the Telephone Company shall have no liability, including liability for any direct or consequential damages, for the resultant interruption of the customer's service. The Telephone Company shall also have no liability for any damage to the customer's premises resulting from the existence of the Customer-provided power supply, wiring or power outlet."

<sup>10</sup> See Verizon's responses at 1 and 3, Memorandum in Support of Motion for Leave to Reply filed November 16, 2007. For Item 1 Verizon writes: "Regulated voice service provided over the fiber optic facilities is *not* a FiOS product offering." For Item 3 Verizon writes "As an initial matter, it is plain from Verizon's web site that the *only* FiOS products available for purchase are FiOS Internet and FiOS TV, and that there is no standalone FiOS voice service product available for purchase."

1 Q. EXPLAIN THE WAYS IN WHICH A CONSUMER MAY ORDER A FiOS  
2 SERVICE.

3

4 A. A customer may order FiOS Internet or TV service either by calling Verizon's  
5 business office or from a Verizon website. In addition, Verizon may enroll new  
6 customers via door-to-door sales solicitation; at a kiosk located at select Verizon  
7 Wireless stores and at Annapolis, Columbia, Montgomery, and Wheaton Malls;  
8 from retailers such as Best Buy, Circuit City and Wal-Mart; and through Verizon  
9 sales agent partners such as My Cell, InTouch Concepts, and Atlantic Wireless.<sup>11</sup>

10

11 Q. HOW DOES VERIZON INFORM POTENTIAL NEW CONSUMERS (1) THAT  
12 VERIZON WILL CHANGE THE CUSTOMER'S VOICE SERVICE TO FIBER  
13 WHEN THE CUSTOMER ORDERS FiOS INTERNET AND/OR FiOS TV  
14 SERVICE; AND (2) THAT A CUSTOMER'S VOICE SERVICE OVER FIBER  
15 WILL REQUIRE A BATTERY BACKUP FOR WHICH THE CUSTOMER IS  
16 RESPONSIBLE FOR MONITORING?

17

18 A. Verizon includes a statement, in very small print, on the advertisement material it  
19 mails to consumers about the FiOS Internet or TV services when the service is  
20 available in the consumer's area. On some material that I examined, the  
21 disclosure was at the bottom on the first page of the flyer or letter addressed to the  
22 consumer. On other material, the disclosure is on the reverse side at the bottom.

23

24 For Bates 000180, included with Verizon's response to Staff's DR, Item 1-19, the  
25 disclosure is on the bottom. It states "Verizon FiOS internet customers purchasing  
26 Verizon voice service receives both services over fiber. Includes up to 8 hours  
27 battery backup (for non-IP voice service only). Customer responsible for power  
28 and replacement batteries." For Bates 000181-000182 and 000185-000186 (also

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<sup>11</sup> (Reference Verizon's response to Staff's First Data Request, Item 1-23.)

1 DR Item 1-19), the disclosure is on the reverse side at the bottom. This disclosure  
2 states: “FiOS Internet customers purchasing Verizon voice service receive both  
3 services over fiber. Includes up to 8 hours battery backup (for non-IP voice  
4 service only.)” However, there is no mention that the customer is responsible for  
5 supplying the electric power or the replacement batteries. For Bates 000187, the  
6 disclosure is hard to read but appears to be similar to earlier disclosures. A copy  
7 of each Bates is included as Exhibit No. 6.

8

9 Verizon also includes information on the sales order forms that are used when the  
10 company solicits customers via door-to-door sales or enrolls new customers at a  
11 Maryland event where the Company has agents selling FiOS services.

12

13 Q. DOES VERIZON MAIL TO CONSUMERS, WHO ORDERED A FIOS  
14 SERVICE, ANY ADDITIONAL INFORMATION AFTER SERVICE IS  
15 ORDERED AND BEFORE IT IS INSTALLED INDICATING THAT (1)  
16 VERIZON WILL CHANGE THE CUSTOMER’S VOICE SERVICE TO FIBER  
17 AND/OR (2) THE CUSTOMER WILL BE RESPONSIBLE FOR SUPPLYING  
18 ELECTRICITY AND REPLACING THE BATTERY BACKUP?

19

20 A. Based on Verizon’s response to Staff’s First Data Request, Item 1-20, Verizon  
21 does not send printed material to customers after service is ordered and before  
22 installing the service. However, Verizon will direct customers to visit its website  
23 at [www.verizon.net/whatsnext](http://www.verizon.net/whatsnext) to view the pending order request and review the  
24 installation and other information provided during the ordering process.

25

26 Q. WERE YOU ABLE TO FIND ANY OTHER INFORMATION ON VERIZON’S  
27 WEBSITE CONCERNING THE MIGRATION OF VOICE SERVICE TO  
28 FIBER FOR CUSTOMERS WHO ORDERED FIOS INTERNET SERVICE?

29

30 A. If you go to Verizon’s website, <http://www22.verizon.com/>, click on the Internet  
31 button, then FiOS Internet, and “About Installation”, you find information about



1        what you can expect when Verizon comes to your home to install FiOS Internet  
2        Service. Included is a video that you can watch which provides some basic  
3        information about FiOS installation and set up. Also under a section entitled  
4        “What's included in a professional installation?” are five listed items under the  
5        sentence: “On the date of your installation, a Verizon professional will come to  
6        your home and install Verizon FiOS Internet Service. They will need access to  
7        your home computer and will perform the following:” Following three bullet  
8        items about the Internet installation are the following two sentences about voice  
9        service: “Migrate any voice services on the current billing account to the Verizon  
10       FiOS network. There is no additional cost for this, and it will not affect your  
11       current monthly charges.” (Emphasis added.)  
12

13    Q.    ARE YOU AWARE OF ANY CHANGES TO THE INFORMATION ON  
14        VERIZON’S WEBSITE SINCE OPC’S AUGUST 9, 2007 FILING TO THE  
15        COMMISSION?  
16

17    A.    Yes. OPC included with its filing Exhibit C, which is the FAQs page for  
18        customers wanting more information about Verizon’s FiOS Internet service. On  
19        July 20, 2007 (the date printed on the OPC Exhibit) this information included  
20        more information than it did on June 2, 2008 when I last checked Verizon’s  
21        website. On OPC Exhibit C there was a No. 5, which stated “What will happen if  
22       I have multiple phone lines at my home that are on the same bill today? Will all  
23       my voice services be put on fiber?” (Emphasis added) On June 2, 2008, I visited  
24        this “FAQs” page and noticed that Question No. 5 had been removed. On the  
25        updated version, Verizon provided information regarding the connection speed  
26        and availability of technical support for the FiOS Internet service. However,  
27        Verizon removed many of the other questions, including Question No. 5, which  
28        addressed voice service for multiple phone lines. On June 2, there was no  
29        information on the FAQ page concerning Verizon’s policy to convert multiple  
30        phone lines to fiber at the time Verizon installs the FiOS service. (See Exhibit  
31        No. 7)

1

2 Q. WHAT WERE YOUR EXPERIENCES WITH THE “LIVE CHAT” ON  
3 VERIZON’S WEBSITE?

4

5 A. I have mixed feelings about my experience. On the one hand the representative  
6 answered my questions and was helpful. However, on the other hand, the  
7 representative’s answers were vague. When I asked the question “Will there be  
8 any changes to my telephone?” if I ordered the FiOS Internet the representative  
9 did tell me that Verizon would replace the “older copper line” with a “fiber optic  
10 line”. However, when I asked him “What does that mean to me?” he clearly stated  
11 that “It will not affect your telephone service at all.” Had I been a new customer  
12 and dropped off the conversation, I would never have learned about the  
13 installation of the ONT or BBU. It was not until I specifically asked “Does  
14 Verizon have to install new equipment for my telephone service? What  
15 equipment?” that the representative told me about the ONT and BBU. Also of  
16 concern is that the representative never explained that I would be responsible for  
17 supplying the electricity needed to operate this equipment or that I would be  
18 responsible for replacing the battery in the BBU. I even asked him point blank  
19 “Do I have to do anything with this equipment? Is there anything else about the  
20 equipment that I need to know?” He did refer me to the “About Installation”  
21 video after I asked him if there was more information available on-line. (Exhibit  
22 No. 8)

23

24 Q. IN YOUR OPINION IS THE INFORMATION ON VERIZON’S WEBSITE  
25 READILY AVAILABLE TO CONSUMERS?

26

27 A. As stated above, Verizon does include some information on its website regarding  
28 the migration of the voice service to fiber. However, the information needs to be  
29 more prominent and clearer. The information on Verizon’s website is not always  
30 easy to find, and it is not readily available. By directing consumers to its website,  
31 Verizon places the burden on the consumer to search for information rather than

1 supplying the information directly to them. Also by directing the consumer to its  
2 website, there is an assumption that the consumer already has access to the  
3 Internet or that the consumer is going to go to the Internet to read this very  
4 important information. New Internet subscribers or consumers placing orders for  
5 the TV service only may not have access to the Internet. Whether or not  
6 consumers have access to the Internet is not the only concern. Consumers should  
7 not have to spend time navigating Verizon's website to find important  
8 information about changes that will be made to their telephone service. This  
9 information is buried in other terms and conditions about the Internet or TV  
10 service. Important information can easily be missed or disregarded as  
11 unimportant. Most customers who order the FiOS Internet or TV service are  
12 going to be looking for information about packaging, pricing, and installation of  
13 the Internet or TV service. They have no reason to look for information about  
14 changes to the telephone service unless they have requested a change in their  
15 telephone service. Verizon needs to furnish information about the migration of  
16 the telephone service to fiber to new customers before the FiOS service is  
17 installed, and the information furnished needs to be clear and easy to understand.

18  
19 Q. WHAT IS THE ESSENTIAL DIFFERENCE TO THE CONSUMER  
20 RECEIVING VOICE SERVICE OVER VERIZON'S FTTP NETWORK  
21 VERSUS COPPER THAT CONCERNS YOU?

22  
23 A. The customer is responsible for supplying the electricity to the ONT and replacing  
24 the battery as needed. Since this is a new responsibility to consumers, they need  
25 to be properly informed so that they can make an informed decision. This is  
26 especially critical for consumers who live in areas where they lose electric power  
27 frequently. Those consumers need to understand fully that the BBU will only  
28 provide a limited amount of talk time during commercial power outages and that  
29 they are responsible for monitoring the BBU and replacing the battery as needed.  
30

1 Q. HAS OER RECEIVED INQUIRIES FROM CONSUMERS WHO RAISED  
2 ANY CONCERNS ABOUT HOW VERIZON DISCLOSES INFORMATION  
3 TO THE PUBLIC REGARDING THE PROVISIONING OF TELEPHONE  
4 SERVICE OVER FIBER?

5  
6 A. OER has received some comments from consumers who requested that Verizon  
7 return their telephone service to copper because they claimed that they “did not  
8 know” or “were not aware” that the telephone service would be migrated to fiber.  
9 A few consumers claimed that they did not understand that the telephone service  
10 would not work without electricity or that there was a temporary battery backup  
11 unit that they had to monitor.

12  
13 The following are actual quotes from consumers who expressed an unawareness  
14 or lack of understanding about the conversion of their voice service to fiber.

15  
16 For MPSC#50786310-W, the customer wrote “I did not understand that, when  
17 they said they were going to "upgrade" my phone to FiOS too, that meant having  
18 my phone on battery backup if the power went down.” For MPSC#80788265-W,  
19 the customer stated “When I purchased the service, I was under the impression  
20 that I was to receive the Direct TV package but I was informed later by a Verizon  
21 representative that I would be receiving the FIOS service to which I agreed to. At  
22 the time, I was unaware that the telephone service was not available during  
23 electrical outages and since my area frequently suffers from electrical outages for  
24 indeterminate lengths of time, this was of concern to me.” (Emphasis added)

25  
26 For MPSC# 20893663-O, the customer told the OER representative that he was  
27 80 years old. He stated that he ordered the FiOS TV only, and he was not aware  
28 that Verizon would switch the telephone service to fiber. This customer  
29 experienced an electrical outage that lasted a day and half. He was concerned  
30 because he lost telephone service after the battery backup failed. He wanted his

1 telephone service returned to copper because he needed 24 hour access to 911 due  
2 to his age and health.

3

4 Q. DOES OER HAVE RECORD OF ANY CONSUMERS WHO RAISED ANY  
5 CONCERNS ABOUT THE ONT OR BBU AND WHO REQUESTED THAT  
6 VERIZON RETURN THEIR TELEPHONE SERVICE TO COPPER?

7

8 A. Yes. OER has heard from several consumers who ordered a FiOS service, and  
9 then wanted to cancel because of concerns with the electricity requirement. In  
10 addition to MPSC#’s 80788265-W and 20893663-O referenced above, OER has  
11 heard from other customers who raised similar concerns about the BBU and loss  
12 of telephone service during power outages. Below are actual customer quotes as  
13 noted in OER’s files:

14

15 For MPSC#30785238-L, the customer sent a letter to Verizon’s President, Bill  
16 Roberts, about her experience with FiOS service. Specifically the consumer  
17 wrote: “On 14 February 2007, as a result of a wide spread ice storm, my home  
18 lost power for an aggregate of 25 hours over two days. As a result of the power  
19 outage, I lost telephone service for approximately 16 hours.” The customer went  
20 on to write: “Because the extended loss of telephone connection is directly  
21 related to the conversion from analog (copper) telephone connection to FiOS, I  
22 have requested that my telephone service be returned to an analog connection.  
23 That request was denied by the Verizon Fiber Resolution Board.<sup>12</sup> The reason  
24 given for not reverting my telephone connection to copper (analog) was that “you  
25 only lost power once with FiOS” is patently ridiculous. After 21 years of Verizon  
26 telephone service, my home has had more than ten electrical (missing word) long  
27 enough to exhaust a FiOS backup battery. During none of those outages did I lose  
28 telephone service.”

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<sup>12</sup> Verizon technicians are required to identify the customer’s issue and reason why they are requesting a return to copper. If the technician cannot find a resolution, they are to escalate to the appropriate Verizon customer support team who is responsible for approving or denying the customer’s request to revert the service to copper.

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In sum, the customer has noted that prior to the migration of their voice service to fiber they lost power 10 times and never lost telephone service. Shortly after the conversion to fiber, they lost power for two days and were without telephone service for 16 hours. (Exhibit No. 9)<sup>13</sup>

For MPSC#100789974-W, the consumer stated that Verizon was “forcing” him to remove the copper phone service. In addition the customer expressed concern about the BBU. Specifically he wrote: “I’m told by the rep that they will remove my cooper [sic] service and I will only have an 8 hour backup battery for phone service. I THINK THIS IS APPAULING and unsafe. I’ve had power outages longer than 8 hours. IN the event of an emergency what is my family to do. I would like to see verizon not force it’s customers to get telephone FIOS if they only want tv and internet. “

In MPSC# 120791495-L, the customer provided the Commission a copy of a letter they wrote to Verizon. (Exhibit No. 10) This customer expressed concern about Verizon changing the phone service to fiber from copper. Customer stated that he/she suffers extended power outages, lasting three to five days, on a regular basis. The customer expressed concern about not being able to call 911 because of limited life of the battery in the BBU. The customer requested that Verizon restore the telephone service to copper. For MPSC# 30893910-O, the customer told the OER representative that for medical reasons they could not have telephone service on fiber.

Q. HAVE YOU RECEIVED ANY DISPUTES CONCERNING A CONSUMER’S INABILITY TO SWITCH TO ANOTHER TELEPHONE PROVIDER

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<sup>13</sup> The customer’s comments were noted on pages 1 and 2 of the letter to Mr. William Roberts. Also included in the customer’s letter are comments regarding other problems with the FiOS order, installation, and obtaining information about the equipment that had been installed by Verizon.

1 BECAUSE OF THE PROVISIONING OF TELEPHONE SERVICE OVER  
2 VERIZON'S FIBER NETWORK?

3  
4 A. We have received a few disputes from consumers who claimed that they could not  
5 switch service to another provider or they expressed concern about whether they  
6 would be able to obtain service after Verizon removes the copper service. Below  
7 are actual customer quotes as noted in OER's records:

8  
9 In MPSC#10676829-W, the customer writes: "One Touch Communications is not  
10 on your list. I have 2 addresses for them P.o. Box 7315, Shrewsbury, NJ 07702  
11 and P.O. Box 3000, Hicksville, NY 11802. We have NO dial tone, because this  
12 phone company lied to us by saying they could handle FIOS service. This is  
13 propreitary to Verizon, yet Verizon disconnected us knowing or should have  
14 known that this CLEC couldn't provide the service. NOW Verizon will not  
15 reconnect us with either copper wire or FIOS. We have been without Residential  
16 phone since 12/22/2005. I think it's punishment for trying to sign with a CLEC.  
17 There have been at least 8 orders to reconnect, but they keep getting cancelled. "<sup>14</sup>  
18 (Emphasis added)

19  
20 MPSC#10783835-L was a referral from the Attorney General's Office. The  
21 customer wrote a letter expressing concern about Verizon's policy to remove  
22 copper service. (Exhibit No. 11) The customer felt that it would affect

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<sup>14</sup> OER received a response from Verizon, dated January 24, 2006. In the response, Verizon advised "FTTP/FiOS is a Verizon offered service. No other CLEC can offer the service. Spectrotel promised they could supply the service, which was not the case. In working to reinstate the service, copper was no longer available so the service had to be run back in as FiOS and the copper Spectrotel order cancelled." Also on February 2, 2006, OER received a response from One Touch d/b/a Spectrotel. The Company stated that "ONE Touch proceeded with the order based on the fact it was a POTS (Plain Old Telephone Service) line. ONE Touch did not become aware that it was a Fiber Optic line until a Verizon Technician was dispatched out for a no dial tone issue on December 23, 2005. I would like to assure you if the CSR would have revealed Mr. \_\_\_\_\_'s line was fiber optic, ONE Touch would have contacted Mr. \_\_\_\_\_ to advise him that we do not provide service to fiber optic lines and his order will be canceled." This customer was reinstated with Verizon's FiOS voice service.

1 competition, and she wanted to know if Verizon's policy to remove copper was  
2 legal.

3  
4 For MPSC#10892695-L, the customer wrote a letter stating that he/she ordered  
5 Verizon's FiOS Internet and TV service. The customer had two telephone lines.  
6 After the customer lost all services, including the two telephone lines, they  
7 discovered that Verizon switched their telephone lines to fiber. The customer  
8 requested our office's assistance in having Verizon return the voice service to  
9 copper since this was a medical office, and the customer could not risk losing  
10 telephone service. OER was able to assist the customer in having the copper  
11 service restored. The customer called OER and stated that the fact her phone was  
12 on fiber prevented her from being able to switch to AT&T. She did not file a  
13 dispute since her service was returned to copper. However, she claimed that  
14 AT&T told her that they could not switch her service once she told them her  
15 service was on fiber. (Exhibit No. 12)

16

17 Q. ARE THERE ANY ADVANTAGES TO CUSTOMERS RECEIVING VOICE  
18 SERVICE OVER THE FTTP NETWORK?

19

20 A. Unlike copper, fiber is impervious to water damage. According to Verizon, fiber  
21 repairs can be done more quickly, which may reduce the amount of time a  
22 customer is out of service.<sup>15</sup>

23

24 Q. HAVE YOU HEARD FROM ANY CONSUMERS WHO REQUESTED  
25 TELEPHONE SERVICE OVER THE FTTP NETWORK TO RESOLVE A  
26 REPAIR PROBLEM?

27

28 A. OER does have record of a few consumers who either requested that Verizon  
29 change the telephone service to copper to improve reliability or who were told  
30 that they could "upgrade" the service if they ordered FiOS. For MPSC#90574281-

---

<sup>15</sup> Reference Verizon's response to question 1-1 of Staff's Data Request.



1        L, the customer claimed that she was offered "more reliable" service if she  
2        subscribed to Internet, as well as future TV through FIOS. (Exhibit No. 13) The  
3        customer went on to claim that "If she stays with existing service, she would need  
4        to still use the 35 year old wiring." For MPSC #120683444-W, the customer  
5        complained about frequent telephone outages. Accordingly the customer said that  
6        "Verizon technicians report that the problem is in the wire servicing the  
7        neighborhood and will not be corrected until the wire is replaced (reportedly 6  
8        months) or I connect to their fibreoptic [sic] cable which is in the neighborhood."  
9        Finally for MPSC# 10892788-W, a customer said that "For the past two years, we  
10       have tried to get Verizon to fix a problem with our telephone line. It is an  
11       intermittent problem, in which early in a call -- either outgoing or incoming -- you  
12       will hear a short buzz and sometimes the call comes back, but usually the call is  
13       dropped." Moreover, the customer stated "Two people at Verizon I talked to said  
14       the company could replace our line with a FIOS line. Three people at Verizon I  
15       talked to said they would only provide FIOS if we got phone, internet and TV  
16       service together. Finally, I asked to be transferred to the copper line repair desk.  
17       That last person said they would not come out to fix our line unless it completely  
18       died."

19  
20    Q.    DOES VERIZON OBTAIN AFFIRMATIVE CONSENT FROM A CONSUMER  
21       PRIOR TO SWITCHING THE CUSTOMER'S TELEPHONE SERVICE TO  
22       FiOS?

23  
24    A.    Verizon does not obtain affirmative consent from the consumer prior to switching  
25       the voice service to fiber. In response to OPC's Second Data Request, Item 2-3,  
26       Verizon acknowledged that there is no standard consent form used by Verizon to  
27       document that a consumer consented to the voice migration to fiber. However,  
28       Verizon stated that "the fact that residential customers elect to have FiOS Internet  
29       or TV services installed after receiving multiple forms of written and verbal  
30       notification that their voice service will be migrated to fiber is direct evidence of  
31       those customers's consent to the migration." Based on Verizon's statement,

1 consumer consent is implied upon the consumer's acceptance of the FiOS Internet  
2 or TV service and after the installation of the service in the consumer's home or  
3 office.

4  
5 Q. HAS OER HEARD FROM ANY CONSUMERS WHO CLAIMED THEY DID  
6 NOT GIVE CONSENT FOR VERIZON TO MIGRATE TELEPHONE  
7 SERVICE TO FIBER?

8  
9 A. Yes. For MPSC#50786310-W, the customer wrote in its dispute to OER that "I  
10 did not understand that, when they said they were going to 'upgrade' my phone to  
11 FiOS too, that meant having my phone on battery backup if the power went down.  
12 If I'd understood about the battery back up, I never would have allowed the  
13 'upgrade.'" The consumer said "Even assuming that I should have realized from  
14 the terms and conditions of FiOS Internet that I was losing the old phone line and  
15 getting battery backup, don't I have some sort of 30 days buyer's remorse to  
16 rescind my order and get my old phone line back?." For MPSC# 70680604-W,  
17 the customer claimed "Verizon implemented an order for fiber (Fios) service on  
18 my home phone without my request, permission or knowledge." Also, for MPSC#  
19 80788781-L, the customer stated that he "requested FIOS Television service only.  
20 Verizon tech came out installed FIOS television, telephone and Broadband.  
21 Customer did not want Internet or phone service." Finally for  
22 MPSC#120791440-O, the customer claimed that when she called Verizon to  
23 cancel long distance service, Verizon convinced her to switch from her current  
24 cable provider to FiOS. She said that "she never signed any contract nor did she  
25 receive anything in writing regarding terms and conditions of the service." In  
26 addition to wanting to cancel the cable service, the customer wanted Verizon to  
27 restore telephone service to copper. She said that "The Verizon tech told her that  
28 when the box beeps, she needs a new battery. Customer said she never asked for  
29 this. She wants things back the way they were."

1           **ISSUE 3: Whether Verizon has engaged in and continues to engage in the**  
2           **tying of FiOS telephone service to the purchase of other FiOS services.**  
3

4       Q.     DOES VERIZON OFFER AN OPTION FOR CONSUMERS TO PURCHASE  
5           VOICE SERVICE OVER THE FTTP NETWORK ON A STAND ALONE  
6           BASIS AND WITHOUT SUBSCRIBING TO A FiOS SERVICE?

7  
8       A.     Not at this time.<sup>16</sup> As stated previously, the only FiOS products that a consumer  
9           may purchase from Verizon are the FiOS Internet and TV services. A consumer  
10          cannot simply call Verizon and purchase a product called FiOS Telephone  
11          service.<sup>17</sup>  
12

13      Q.     DOES VERIZON CHANGE A CUSTOMER'S VOICE LINES TO FIBER  
14          WHEN THE CUSTOMER ORDERS A FiOS SERVICE?

15  
16      A.     Yes. It is stated on Verizon's website and/or marketing material for FiOS Internet  
17          and FiOS TV services that for customers "purchasing Verizon voice service  
18          [they] receive both services over fiber." In OPC Exhibit C, included in the  
19          Request for Investigation, filed August 9, 2007, are the Frequently Asked  
20          Questions (FAQs) Verizon made available on its website. For customers with  
21          more than one telephone line, it stated "All fiber-compatible voice services will  
22          be migrated to the FiOS network as part of your installation." Verizon  
23          acknowledged that the Company does migrate "all of the customer's fiber-  
24          compatible voice service to the FiOS network as part of the installation of the  
25          FiOS Internet service."<sup>18</sup>  
26

---

<sup>16</sup>Verizon's response to Maryland Office of People's Counsel Second Data Request, Item 2-10.

<sup>17</sup>Also, Verizon's response at 3, Memorandum in Support of Motion to Leave to Reply, filed November 16, 2007.

<sup>18</sup>See page no. 9, Item No. 13, of Verizon's Response to Request of Office of People's Counsel, dated August 31, 2007.

1 Q. HAVE ANY CONSUMERS COMPLAINED THAT VERIZON CHANGED  
2 MULTIPLE LINES WHEN MIGRATING SERVICE TO FIBER?

3  
4 A. For MPSC#10892695-L that was mentioned above, a doctor's office filed a  
5 dispute and stated that they lost service to all phone and fax numbers. After  
6 reporting to Verizon they discovered that their telephone lines had been switched  
7 over to FiOS. In addition, OER received the following dispute in 2006. For  
8 MPSC#60680173-W, the customer said that he/she switched to Verizon FIOS  
9 service for the main phone number. However, the customer was told by Verizon  
10 that the second line had to be switched to fiber also.

11  
12  
13 **CUSTOMER'S REQUESTING RETURN TO COPPER SERVICE**

14  
15 Q. WHY MIGHT A CONSUMER REQUEST THAT VERIZON RETURN  
16 TELEPHONE SERVICE TO COPPER?

17  
18 A. A consumer may request that Verizon return their telephone service to copper for  
19 a number of reasons. The consumer may experience a technical problem or  
20 dissatisfaction with the FiOS service. In addition, the consumer may find that  
21 their CPE or alarm system is not compatible with the fiber service. Other  
22 consumers may want to return to copper because of concerns with the electricity  
23 requirement and battery backup unit.

24  
25 Q. EXPLAIN HOW VERIZON RESPONDS TO CUSTOMER REQUESTS TO  
26 RETURN TO COPPER SERVICE?

27  
28 A. It is Verizon's preference that once a customer is migrated to the FTTP network,  
29 the customer should remain on the fiber network.  
30 However, for customers who report a technical issue, a Verizon service  
31 technician is to attempt to identify and understand the customer's issue and find a

1 resolution. In the event the technician cannot resolve the customer's request to  
2 revert back to the copper network, the technician is to escalate the issue to an  
3 appropriate customer support team that has the authority to approve the  
4 customer's request to revert back to the copper network.

5  
6 Consumers who contacted OER were unable to have their service converted back  
7 to copper so they sought our assistance. One consumer stated "Verizon service  
8 people told me they'd "forward my complaint through channels" and that I'd hear  
9 from them within 30 days. They also said that complaints like this are never  
10 resolved in the customer's favor." (See MPSC#50786310-W).

11  
12 Another customer who ordered FiOS said "When we asked Verizon to remove  
13 redundant telephone wiring not being used, workmen come to our home and  
14 threaten that once removed, Verizon will never reinstall it if we ever do not like  
15 fibre [sic] optic service." (See MPSC#10892575-W)

16  
17 Q. IS OER AWARE OF ANY CASES IN WHICH VERIZON DENIED THE  
18 CUSTOMER'S REQUEST TO RETURN TO COPPER SERVICE?

19  
20 A. OER is aware of at least two incidents where Verizon denied the customer's  
21 request to return to copper. For MPSC# 40894755-L, the customer claimed that  
22 he ordered FiOS Internet Service only. Previously the customer had telephone  
23 service with a VoIP provider. However the customer had to cancel service with  
24 the VoIP provider. He requested that Verizon reinstall the NID so he could obtain  
25 service via the copper network. On May 14, 2008, Verizon responded as follows  
26 to OER: "After further review of Mr. \_\_\_\_\_'s rebuttal Verizon stands by its  
27 initial response that once Verizon installs FiOS at an address and phone services  
28 connected by us will be on the fiber optic network."

29  
30 For MPSC#20784357-O, the consumer first contacted OER in February 2007. He  
31 requested that Verizon return his telephone to copper service because his ADT

1 Security System was not compatible with the fiber service. On February 22, 2007  
2 a Verizon representative stated to OER that “Mr. \_\_\_\_\_ was informed that his  
3 request to have copper reinstalled has been denied by Verizon. It was explained  
4 that most security companies including ADT have services and equipment that are  
5 compatible with Fiber Optics. A number of security alarm companies offer  
6 wireless security systems because technology is changing. It was further  
7 explained that Verizon could not be responsible for providing products that are  
8 not compatible to Verizon’s own products (i.e. security systems). Verizon  
9 apologized that this information was not explained to Mr. \_\_\_\_\_ during the sales  
10 process.”

11  
12 The same dispute was resubmitted to OER in August 2007 after the customer  
13 contacted Congressman Wynn’s Office in June 2007. (MPSC# 80788892-L).  
14 However, this time when OER contacted Verizon the Company advised that “Mr.  
15 \_\_\_\_\_ telephone services were switched back to copper on July 2, 2007.”

16  
17 For MPSC# 30893910-W, the customer requested that Verizon restore copper  
18 service for medical reasons. On March 11, 2008, Verizon responded to OER.  
19 The Company stated that “I had spoken with Mr. \_\_\_\_\_ on 3/5/08 and advised  
20 that per his request, Verizon had invested in bringing FIOS to his premise.  
21 Records show that the Customer had agreed to enroll with FIOS, as well as take  
22 advantage of promotions and plans. Verizon advised that the only way we would  
23 be able to convert order from FIOS to Copper would be to either switch back to  
24 Global or another company of his choice; otherwise, he could accept Verizon  
25 FIOS and apply for a change to copper which would possibly have a 30-day delay  
26 and could still be denied unless there was a medical emergency.” [Emphasis  
27 added]

28  
29 Q. HOW WOULD OER HANDLE A DISPUTE IF VERIZON DENIES THE  
30 CONSUMER REQUEST TO RETURN TO COPPER AND THE CONSUMER  
31 CONTINUED TO ESCALATE THE DISPUTE?

1  
2 A. OER typically bases its determinations on existing COMAR regulations, tariffs,  
3 or PSC decisions. In this case, if no regulations, tariffs or PSC Orders govern the  
4 issue at hand, OER would have no choice but to accept Verizon's response as is  
5 and tell the consumer we are unable to assist. The consumer would then have the  
6 right to Appeal OER's final determination to the Commission under Public Utility  
7 Companies Article, §3-102, Annotated Code of Maryland, and COMAR 20.07.03.  
8  
9

### 10 **CONCLUSIONS AND RECOMMENDATIONS**

11

12 Q. IN YOUR OPINION SHOULD VERIZON BE REQUIRED TO OBTAIN  
13 AFFIRMATIVE CUSTOMER CONSENT PRIOR TO MIGRATING VOICE  
14 SERVICE TO FIBER?  
15

16 A. Verizon should be required to obtain a customer's consent prior to switching the  
17 voice service to fiber. This is because the only two FiOS services that a consumer  
18 may purchase from Verizon are FiOS Internet and FiOS TV. However, for  
19 consumers who order one or both FiOS service, Verizon will change the  
20 consumer's telephone service to fiber. OER does not object to Verizon switching  
21 a consumer's telephone service to fiber. However, Verizon should be required to  
22 obtain consent from the consumer prior to switching the voice service to fiber  
23 because:

- 24 1. The customer is required to supply electricity to the ONT;
- 25 2. In case of power failure, 911 service (except through VoIP) will only be  
26 available until the backup battery expires; and
- 27 3. Certain telephones, answering machines and other telephone equipment  
28 not meeting industry standards may not work with service provided on the  
29 Verizon FiOS network.  
30

1 Q. WHAT TYPE OF NOTICE SHOULD VERIZON PROVIDE TO CONSUMERS  
2 REGARDING (1) THE CONVERSION OF VOICE SERVICE TO FIBER; (2)  
3 THE RESPONSIBILITY OF THE CUSTOMER FOR SUPPLYING  
4 ELECTRICITY AND REPLACING THE BATTERY?

5  
6 A. Verizon needs to provide clear and conspicuous notice to all consumers who order  
7 a FiOS service. The notice should be mailed or sent via email to new consumers  
8 within three (3) days of their placing an order for a FiOS service and BEFORE  
9 the service is installed. The notice is to inform consumers that:

- 10 1. Verizon will convert all telephone lines from copper to fiber for  
11 Verizon telephone subscribers who place an order for FiOS Internet or  
12 TV service;
- 13 2. That a Verizon technician will install an Optical Network Terminal  
14 (“ONT”) and ONT Power Supply Unit (“OPSU”), which is equipped  
15 with a Battery Back Up (“BBU”) in the consumer’s home.
- 16 3. Electricity to the ONT is needed to operate all Verizon services  
17 provided on the FiOS network.
- 18 4. The customer is required to supply the electricity to the ONT.
- 19 5. The BBU installed by Verizon was added as a safety feature to supply  
20 the customer with approximately eight hours of telephone support time  
21 (including access to 911) in the event of a power outage or any time  
22 when the customer does not have electricity.
- 23 6. The customer is responsible for replacing the battery backup as  
24 needed.
- 25 7. Backup battery does not supply power for Internet, VoIP, or TV  
26 services.
- 27 8. In case of power failure, 911 service (except through VoIP) will be  
28 available until the backup battery expires.
- 29 9. Certain telephones, answering machines and other telephone  
30 equipment not meeting industry standards may not work with service  
31 provided on the Verizon FiOS network.



1 Verizon should be required to provide the notice as follows:

- 2 a) The written notice is to be on a page separate from any promotional  
3 offering;
- 4 b) The text of the notice should be followed by a heading stating  
5 ‘IMPORTANT INFORMATION REGARDING YOUR TELEPHONE  
6 SERVICE CONVERSION TO FIBER’. The heading should either be in  
7 all capital letters equal to or greater in size than the surrounding text, or in  
8 contrasting type, font, or color to the surrounding text of the same or lesser  
9 size; and
- 10 c) Verizon must use plain language in the body of text that is clear and  
11 unambiguous.

12  
13 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

14  
15 A. Yes, it does.  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

## **EXHIBIT H**

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

CASE 13-C-0197 – Tariff filing by Verizon New York, Inc. to introduce language under which Verizon could discontinue its current wireline service offerings in a specified area and instead offer a wireless service as its sole service offering in the area.

**EMERGENCY PETITION OF  
NEW YORK ATTORNEY GENERAL ERIC T. SCHNEIDERMAN  
FOR AN ORDER PREVENTING VERIZON  
FROM ILLEGALLY INSTALLING VOICE LINK SERVICE  
IN VIOLATION OF ITS TARIFF  
AND THE COMMISSION’S MAY 16, 2013 ORDER**

ERIC T. SCHNEIDERMAN  
Attorney General of the State of New York  
Jane Azia, Bureau Chief  
Keith H. Gordon, Assistant Attorney General  
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June 26, 2013

### Summary

Verizon's request to amend its tariff to permit substitution of Voice Link hybrid wireless service for traditional wireless service beyond Fire Island was explicitly denied in the Commission's May 16, 2013 Order. After permitting Verizon to install Voice Link on western Fire Island as a pilot test of the new technology due to the special circumstances stemming from Superstorm Sandy's damage to the coast, the Commission held specifically that it was "suspending Verizon's tariff amendment regarding its use of Voice Link in other parts of the State subject to further review."<sup>1</sup>

Despite the unambiguous language of the Commission Order, Verizon has proceeded to implement its plans to install Voice Link service to seasonal customers in the Catskills. In clear violation of a Commission directive, and without any valid tariff permitting its use, Verizon has shipped a large quantity of Voice Link devices to its Monticello installation/maintenance center. Whenever a seasonal customer requests that their wireline Plain Old Telephone Service ("POTS") be restored for the summer, but dial tone is not functioning when the line is activated at Verizon's switch, the company has directed its technicians not to repair the existing service, but instead to install Voice Link in its place. Only where a customer forcefully refuses Voice Link will Verizon repair the wireline service.

Verizon's provision of Voice Link outside the confines of western Fire Island is illegal, and its open defiance of the Commission's May 16 Order must be met with effective sanctions.

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<sup>1</sup> Case 13-C-0197, ORDER CONDITIONALLY APPROVING TARIFF AMENDMENTS IN PART, REVISING IN PART, AND DIRECTING FURTHER COMMENTS, issued May 16, 2013, at 2.

## Facts

On May 3, 2013, Verizon New York, Inc. (“Verizon”) filed a proposed amendment to Tariff PSC No. 1 “setting forth the circumstances under which Verizon could discontinue its current wireline service offerings in a specified area and instead offer a wireless service as its sole service offering in the area.” Verizon specifically sought permission to offer this wireless service alternative, called Voice Link, in the western portion of Fire Island.<sup>2</sup> Verizon also asked to expedite approval sooner than the normal 30-day review period and to waive newspaper publication so it could “move forward to implement its plans to restore service on Fire Island as rapidly as possible.”

Verizon’s proposed tariff set out two different circumstances where Voice Link might be implemented as a substitute for traditional wireline service. These are where Verizon:

- (a) certifies and demonstrates that a substantial portion of its facilities in the area is destroyed, rendered unusable, or beyond reasonable repair, or
- (b) demonstrates that the use of wireless to serve specified customers, or groups of customers, is otherwise reasonable in light of the geographic location, the availability of competitive facilities to serve those customers or groups of customers, or in light of other criteria acceptable to the Commission.

At its May 16, 2013 Session, the Commission decided to conditionally approve the part of Verizon’s tariff applying to western Fire Island “because it is critical that service be available on Fire Island immediately,” while it suspended the second tariff provision quoted above “subject to further review” after seeking public comment.<sup>3</sup>

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<sup>2</sup> May 3, 2013 tariff filing, cover letter to the Commission from Keefe B. Clemons, Verizon counsel.

<sup>3</sup> May 16, 2013 Order, *supra*, at 1-2.

The Attorney General's Office has recently learned that Verizon intends to require customers outside of the Fire Island pilot area seeking to have their wireline service installed accept instead wireless Voice Link service, notwithstanding the Commission's May 16 Order. According to reports by representatives of the Communications Workers of America, Verizon has delivered a pallet load of Voice Link devices to its Monticello Installation/Maintenance Center, and has instructed its technicians in that region to provide summer seasonal customers returning to Catskill vacation homes, who have long been received Verizon wireline service, only Voice Link service. The union's report is corroborated by two complaints of Verizon seasonal customers who have been told Voice Link will be installed instead of repairing their wireline telephone service. Only by firmly refusing Voice Link were both customers able to keep their wireline service.<sup>4</sup>

Many Verizon customers spend their summers in bungalow communities in the Catskills region, often requesting their service be restored *en mass*. Because these dwellings are vacant during the winter and early spring, any wind or snow damage to the distribution facilities is only identified now, as the customers return for the summer season. Based on prior history, it is likely that hundreds of customers will seek to have their wireline service repaired. Thus, if Verizon substitutes Voice Link instead of wireline POTS for its seasonal customers seeking repair in this region, a substantial number of illegal installations will occur contrary to Verizon's tariff.

Unlike Fire Island, wireline network damage from Superstorm Sandy cannot be used as an excuse for substituting Voice Link for wireline service in the Catskills, where

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<sup>4</sup> See e.g., attached Affidavit of Joshua Michaeli.

the storm had limited impact.<sup>5</sup> Instead, it appears that in the Catskills, Verizon has chosen to pursue the company's business strategy in blatant disregard for the Commission's Order.

The Commission's May 16 Order could not have been clearer in limiting Verizon's substitution of Voice Link for wireline service to western Fire Island, to enable evaluation of this unproven technology on a pilot basis. Indeed, the Commission directed Verizon to submit by November 1, 2013 a comprehensive "report evaluating the provision of Voice Link service on Fire Island"<sup>6</sup> so this pilot can be weighed in conjunction with the public comments before the service can be expanded elsewhere. Verizon's attempt to usurp the Commission's authority by installing Voice Link in other parts of the state without a tariff must be halted immediately.

### **Request for Relief**

The Commission should order Verizon to immediately cease and desist its illegal activities provisioning Voice Link anywhere in New York beyond the authorized western Fire Island pilot area, and also to promptly provision wireline service to any customer improperly connected to Voice Link.

Moreover, Verizon's actions to provide Voice Link outside the western Fire Island pilot area, and efforts to compel customers in the Catskills region to accept Voice Link in place of wireline service is evidence that the company "knowingly fail[ed] or neglect[ed] to obey or comply with ... [a Commission] order." Therefore, pursuant to Public Service Law § 25, Verizon is subject to a \$100,000 "civil penalty for each and

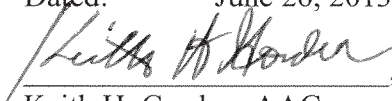
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<sup>5</sup> Indeed, even after Hurricane Irene caused extensive damage to Verizon's wireline facilities in 2011, Catskills network facilities were repaired in the months following that extreme weather event.

<sup>6</sup> May 16, 2013 Order, *supra*, at 12.

every offense, and in the case of a continuing violation, each day shall be deemed a separate and distinct offense.” The Commission should commence penalty proceedings against the company citing as separate and continuing violations each customer who has been denied timely installation of wireline service or had Voice Link installed as a substitute for the POTS service authorized by Verizon’s lawful tariff.

Dated: June 26, 2013

, for  
Keith H. Gordon, AAG

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**AFFIDAVIT OF JOSHUA MICHAELI**

STATE OF NEW YORK  
COUNTY OF SULLIVAN, to wit:

1. My name is Joshua Michaeli, and during the summer season I reside in the Catskill Mountains region with my family at 445 Old Liberty Road, unit 16A, Monticello, New York, 12701.

2. My family has summered in the unit for several years, using Verizon landline telephone service. Each year, we suspend our seasonal service in the Fall and then have it restored in Spring/Summer when we return.

3. When we closed up the home at the end of the 2012 season, I called Verizon and asked to suspend out telephone service until springtime. I also scheduled a date to turn our telephone back on in June 2013 (number 845-791-7092).

4. In mid-May, I called Verizon again to confirm when our service would be restored, and was told that there was no record of the installation request I had made last Fall. I then repeated my request to have telephone service turned on in mid-June.

5. On June 18, 2013, my family returned to our unit and found that the telephone was not working properly. I then called Verizon to request that our telephone be repaired. The Verizon representative told me that the company wanted to install a wireless service called Voice Link instead of repairing our traditional wireline phone service. I declined Verizon's Voice Link offer, noting that our unit is in a wooded area where wireless communications may not work well. When I was transferred to the repair department to schedule a repair visit, the person making repair appointments again tried to convince me to accept Voice Link instead of having our existing service repaired, and I again said no thanks.

6. A short time later on June 18, a Verizon repair technician came to our summer home and in a few minutes repaired the wiring in the box attached to our building. Our wireline telephone service has been working since this repair.

*Joshua Michaeli*

\_\_\_\_\_  
Joshua Michaeli

Subscribed and sworn before me this 25<sup>th</sup> day of June, 2013 by Joshua Michaeli.

*Keith H. Gordon* (seal)  
\_\_\_\_\_  
Notary Public

KEITH H. GORDON  
Notary Public, State of New York  
No. 4841690  
Qualified in Westchester County  
Commission Expires 3-18  
4/25/2013

## **EXHIBIT I**

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Technology Transitions	)	GN Docket No. 13-5
	)	
AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition	)	GN Docket No. 12-353
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
Structure and Practices of the Video Relay Service Program	)	CG Docket No. 10-51
	)	
Telecommunications Relay Services And Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities	)	CG Docket No. 03-123
	)	
Numbering Policies for Modern Communications	)	WC Docket No. 13-97
	)	
	)	

*Amended*

**PEOPLE OF THE STATE OF ILLINOIS**

**And PEOPLE OF THE STATE OF NEW YORK**

**COMMENTS ON TRIALS AND DATA COLLECTION**

**The People of the State of Illinois**

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## Table of Contents

I.	Introduction – Scope of the People’s Comments .....	1
II.	AT&T’s Proposed Trials, While Limited, Highlight The Challenges Associated With The Carriers’ Plans To Transition Telephone and Broadband Service To An All IP Network.....	4
III.	The IP Transition And The Continued Regulation of Providers of Telephone Service As Common Carriers.....	7
IV.	The Commission Should Consider The Effect Of The Transition From TDM Service On Consumers And The Need To Preserve Statutory Core Values As Carriers Transition To IP Networks. ....	10
a.	Degraded Service Quality.....	12
b.	Unavailable Service.....	15
c.	Changed Prices, Terms and Conditions.....	16
d.	Loss of Telecommunications Regulatory Protections.....	23
e.	Effect of Loss of Wireline Service and Mandatory Cellular Substitution.....	24
f.	Conclusion.....	28
V.	The Commission Should Require Extensive Reporting From The Major Providers Of Telephone Service So The Effects Of The IP Transition Can Be Identified And Addressed. ....	29
VI.	Conclusion .....	30

## **I. Introduction – Scope of the People’s Comments**

The People of the State of Illinois, by Attorney General Lisa Madigan, and the People of the State of New York, by Attorney General Eric Schneiderman, submit the following comments and recommendations in response to the Commission’s January 31, 2014 *Order, Report And Order And Further Notice Of Proposed Rulemaking, Report And Order, Order And Further Notice Of Proposed Rulemaking, Proposal For Ongoing Data Initiative* (Initiating Order) in this proceeding. In that Initiating Order, the Commission recognized that the networks that provide telephone, internet access, and video services are incorporating more and more Internet Protocol (“IP”) and digital functions and capabilities. The Commission invited carriers to propose experiments or trials to test and illustrate the effect of this transition to IP technology on the provision of communications services.<sup>1</sup>

At the outset, the Commission emphasized the importance of preserving the “network compact” that has been the foundation of national telecommunications policy and consumer protection. As the Commission stated:

Americans have come to expect secure, reliable, and innovative communications services. The purpose of these experiments is to speed market-driven technological transitions and innovations by preserving the core statutory values as codified by Congress – public safety, ubiquitous and affordable access, competition, and consumer protection – that exist today.<sup>2</sup>

These Comments will address the effect that the shift from the use of time-division multiplexed circuit switch technology (“TDM”) to the use of IP-based technology for telecommunications services is already having on consumers – effects that the trials are intended

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<sup>1</sup> Initiating Order, ¶ 1.

<sup>2</sup> Initiating Order, ¶ 1.

to highlight.<sup>3</sup> While the incorporation of IP technology into America's telecommunications networks is ongoing,<sup>4</sup> it is only recently that efforts to *replace* legacy TDM services with IP and wireless substitutes have been initiated. The "trials" that are contemplated by the Commission's Initiating Order represent a valuable attempt to monitor this process and to identify potential problems and unanticipated consequences arising from the transition.

Today consumers are already facing the effects of that change. Some of these effects result from certain technological incompatibilities between legacy customer equipment and IP or wireless networks, or the elimination of some properties of legacy networks (*e.g.*, an independent power supply, enabling service in a commercial power outage), while others can be traced to differences in the nature and extent of regulation of legacy versus IP-based services and to various pecuniary factors. In some cases, both conditions may be at play, as regulation has not yet responded to some of the technological effects that the transition may impose upon consumers.

Issues facing consumers include that TDM-based voice telephone service is becoming degraded; carriers refuse or decline to repair existing service lines; consumers face new forms of telephone and Internet access service at both different terms and conditions (*e.g.*, bundling requirements, call restrictions) and higher rates; and the functions available with their communications services change (*e.g.*, access to emergency services such as medical alert services and security services; availability of telephone service and power in the event of commercial power outages; the ability to use a fax machine); and in some cases, consumers are losing the ability to obtain TDM-based or any other wireline telephone service at their residence

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<sup>3</sup> Initiating Order, ¶ 8 ("We emphasize that the goal of all of these experiments and initiatives is to learn about the impact of the technology transitions on the customers – and communities – that rely on communications networks. ¶ 2 ("We must act with dispatch. Technology transitions are already underway.")

<sup>4</sup> Initiating Order, ¶ 2 ("We must act with dispatch. Technology transitions are already underway.")

or business from their traditional telephone company, or incumbent local exchange carrier (“ILEC”).

Section II of these Comments addresses the scope of the trials proposed by AT&T and their relation to the IP transition. Section III describes the services at issue in the trials and the IP transition generally as services that transmit voice and other data or content without modification or change, and concludes that these services fit the statutory definition of “telecommunications” subject to common carrier regulation under the Telecommunications Act of 1996.

Section IV addresses the effects of the carriers’ implementation of technology changes in the major states of Illinois and New York, involving incumbents AT&T and Verizon, respectively. Section V recommends the collection of data in the trials but also more generally so that the Commission, state commissions, and consumers can both recognize the changes being implemented by the carriers and fairly assess their effect on consumers and the public interest.

As the Commission stated:

we endeavor to learn in diverse ways how the modernization of communications networks is affecting the achievement of our statutory responsibilities. And for that we need real-world data. These data will fuel the ongoing public dialogue about the technology transitions, ensuring that it is fact-based and data-driven. Having a robust and factually-informed public discussion will help guide the Commission as we make legal and policy choices that advance and accelerate the technology transitions while ensuring that consumers and the enduring values established by Congress are not adversely affected.<sup>5</sup>

The proposed data collection will allow future legal, regulatory, and policy decisions to be based on a well-developed factual record that is more comprehensive than the two proposed trials alone would generate.

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<sup>5</sup> Initiating Order, ¶8.

## **II. AT&T's Proposed Trials, While Limited, Highlight The Challenges Associated With The Carriers' Plans To Transition Telephone and Broadband Service To An All IP Network.**

To date, the only major carrier<sup>6</sup> to propose trials is AT&T, and the two trials proposed are quite limited, calling into question whether they are sufficient to identify and apply lessons-learned to larger urban markets and to the country as a whole. One trial would take place in a rural wire center in Alabama, serving only 4,388 living units<sup>7</sup> and the other is based in a suburban wire center in Florida serving 49,712 living units.<sup>8</sup> Overall, AT&T's network covers 22 states from California to Wisconsin to Florida,<sup>9</sup> with approximately 75 million living units.<sup>10</sup> The trials will only affect 0.07% of the living units in AT&T's service area, and only 2 of its 4700 wire centers. Nevertheless, the trials provide the Commission and interested parties a window into the transition process and are a reasonable vehicle for considering the technical and regulatory issues the transition to IP and to wireless voice and Internet access raise.

In its Proposal, AT&T states that a [confidential] number of living units take wireline services, including both TDM and IP-based service, and asserts that “many customers already

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<sup>6</sup> For purposes of these Comments, the major carriers are AT&T, Verizon, Comcast. Each of these carriers except Comcast is an incumbent local exchange carrier or is a successor to an ILEC that developed its network as a protected monopoly. The state and federal statutory obligation to serve all customers persists in most but not all states. Comcast started as an incumbent cable television provider, providing video service under municipal franchises to provide video service universally. It expanded into telephone and Internet service as IP technology developed. It now sells telephone, Internet and television services over the network originally installed when it had a protected monopoly.

<sup>7</sup> AT&T defines living units as: “business, residential, vacant and under-construction locations. Living units are the units network engineers use when designing and building communications networks because each living unit is a separate location that AT&T historically has been required to serve upon request.” AT&T Wire Center Trial Operating Plan at 3, fn. 4.

<sup>8</sup> AT&T Proposal for Wire Center Trials at 13, 15 (filed Feb. 27, 2014)(hereafter cited as “AT&T Proposal”)

<sup>9</sup> AT&T is the successor of the incumbent local exchange carrier in the following states: California, Nevada, Texas, Oklahoma, Kansas, Missouri, Arkansas, Louisiana, Mississippi, Alabama, Tennessee, Kentucky, Illinois, Indiana, Wisconsin, Michigan, Ohio, Georgia, North Carolina, South Carolina, Florida, and Connecticut.

[http://www.att.com/Common/merger/files/pdf/22\\_state\\_map.pdf](http://www.att.com/Common/merger/files/pdf/22_state_map.pdf) AT&T has entered into a contract to sell its Connecticut service area to Frontier Communications, which is now subject to regulatory review.

<sup>10</sup> This figure is a rough estimate, based on AT&T's statement that it expects to reach 75% of the living units in its 22 state service area, and that it expects to reach approximately 57 million customer locations with its expanded wireline IP-broadband service. See AT&T Proposal at 5-6.



have made the choice, even in rural areas, to transition away from the traditional TDM telephone network and services.”<sup>11</sup> As will be discussed below, there are many factors leading consumers to end their subscriptions to traditional landline telephone service. The factors that drive consumers from traditional service should be considered in assessing both the trial in general and the number of wireline as opposed to wireless telephone subscribers at the trial starting gate.

AT&T’s description of both the trial and its plan for its own IP transition provides an important context for the Commission’s evaluation of the trials and the transition in general. AT&T concedes at the outset that its “wireline IP network will reach approximately 75 percent of customer locations in our 22-state wireline footprint.”<sup>12</sup> That means that 25% of the customer locations in that 22 state area – both business and residence – will be without an AT&T wireline option for either telephone or Internet access. A key question before the Commission is what options are left for this 25%, which could affect close to 20 million residential and business locations? How should this result be assessed in light of the core statutory values governing the provision of telecommunications?

AT&T cites a wireless option for both telephone and Internet access in those areas where it does not intend to continue wireline service. Key questions are: (1) have consumers found the wireless home phone option to be a true and acceptable substitute for wireline telephone and Internet access services in other parts of the country; (2) in how many areas are there other wired options available, *e.g.*, from municipal networks or cable networks, and are consumers using those options; and (3) what will be the effect on competition, even if it is only between two access providers, if AT&T withdraws wireline telephone and Internet access from 25% of the households in its 22-state service area?

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<sup>11</sup> AT&T Proposal at 13-15.

<sup>12</sup> AT&T Proposal at 6.

Another set of issues highlighted by the transition and AT&T's filing is that the IP network and the wireless network do not provide the same functionalities as TDM service.<sup>13</sup> Functions that cannot presently be provided by one or both of these networks include the display of addresses when a call is made to 911 (wireless), or in some cases, the failure to route a 911 call to the nearest emergency call center; the use of home security systems, medical monitoring alert services, fax services, and credit card authorizations; and the availability of power for telephone service in the event of an extended commercial power outage.<sup>14</sup> AT&T asserts that it is developing enhancements to its wireless services to address these services, and will not discontinue TDM service until those enhancements are achieved.<sup>15</sup>

If there were few or no functional limitations, consumers would ordinarily be indifferent to the technology that underlies their telephone and Internet access services. Just as television consumers view essentially the same content regardless of whether they use over-the-air, cable, IP TV or satellite technology, telecommunications<sup>16</sup> consumers are purchasing the ability to make telephone calls and to access the Internet in order to send and receive conversation and content without modification or interference from the carrier. Consumers purchase the

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<sup>13</sup> The limitations of both AT&T's IP based service and its wireless service are acknowledged by AT&T in its trial proposal. AT&T Trial Proposal at 19-20. AT&T's web site includes information about battery backup and an option to check to see if the consumer's security system or medical alert will work with Uverse Phone. See att.com – home phone – uverse voice – learning center at <http://www.att.com/shop/home-phone.html#fbid=WHQuKlAVYOq?tab3> (battery backup) and <http://www.att.com/shop/home-phone.html#fbid=WHQuKlAVYOq?tab3>

<sup>14</sup> AT&T Proposal at 19-20 (AT&T's "wireless and wireline IP-based services ... will support the vast majority of the devices and applications enumerated in Appendix B of the Transitions Trial Order." AT&T states that it is currently developing a wireless service so businesses can use existing customer premises equipment; wireless home phone does not work with analog data devices and services, "e.g., home security systems, fax machines, and dial-up Internet service"). These deficiencies and differences are expressly addressed by AT&T notwithstanding its statement: "But make no mistake, whether a customer subscribes to a wireless or a wireline broadband product, the capabilities of both of those services far exceed what is available in the circuit switched POTS environment." *Id.* at 9.

<sup>15</sup> *Id.* at 20-21.

<sup>16</sup> The term "telecommunications" is defined in the Telecommunications Act of 1996 as follows: "The term 'telecommunications' means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received." 47 U.S.C. 153(50).

transmission service provided by the network – not the underlying TDM or IP technology. However, consumers are sensitive to changes in capabilities, price, terms and conditions, and service quality. The two proposed trials will provide a window into how consumers respond to these changes, but due to the very small sample represented by the trials, the Commission should include in its analysis a consideration of how consumers throughout the country are being affected by the transition to IP-based service and the withdrawal of wireline telephone service in those areas where IP telephony is not being offered.

### **III. The IP Transition And The Continued Regulation of Providers of Telephone Service As Common Carriers.**

The Telecommunications Act of 1996 was passed against the backdrop of extensive common carrier regulation of telephone service and Internet access. *Verizon v. FCC*, 740 F.3d 623, 638-639 (D.C. Cir. 2014)(addressing the Commission’s “long history of subjecting to common carrier regulation the entities that controlled the last-mile facilities over which end users access the Internet”). While inviting competition in the provision of telecommunications services, including basic telephone service, Congress preserved the regulation of “telecommunications” under traditional common carrier regulation. The Telecommunications Act of 1996 defines telecommunications as “the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received,”<sup>17</sup> and directed that a provider of telecommunications “shall be treated as a

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<sup>17</sup> 47 U.S.C. 153(50).

common carrier under this chapter only to the extent that it is engaged in providing telecommunications services.”<sup>18</sup>

The Commission should assess the IP transition trials relative to how IP and TDM services meet essential telecommunications needs. The trials should identify specific technical differences and issues raised by IP and TDM capabilities, and provide guidance as to how these can best be addressed and overcome. While the Commission has indicated that it is not “seeking to resolve the legal and policy questions arising from the technology experiments,”<sup>19</sup> the Commission should take care to assure that differences in regulatory approaches do not affect its assessment of the transition.

The complaints discussed below respond to the Commission’s request that the trials and data collection should address “how the modernization of communications networks is affecting the achievement of our statutory responsibilities.”<sup>20</sup> A key issue that repeatedly arises is whether providers of telephone service continue to be subject to state rules governing service and should be treated as common carriers. Federal law describes the obligations of a common carrier as including the regulatory obligations (1) to furnish communications services upon reasonable request,<sup>21</sup> (2) to provide service at just and reasonable rates,<sup>22</sup> and (3) to provide service without undue or unreasonable discrimination, preference or disadvantage.<sup>23</sup> While the IP transition includes the use of Internet Protocol technology, the carriers providing telephone and Internet

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<sup>18</sup> 47 U.S.C. 153(51). The full text defines telecommunications carrier as follows: Telecommunications carrier. The term “telecommunications carrier” means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in section 226 of this title). A telecommunications carrier shall be treated as a common carrier under this chapter only to the extent that it is engaged in providing telecommunications services, except that the Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage.

<sup>19</sup> Initiating Order, ¶8.

<sup>20</sup> *Id.*

<sup>21</sup> 47 U.S.C. 201(a).

<sup>22</sup> 47 U.S.C. 201(b).

<sup>23</sup> 47 U.S.C. 202(a).

access services continue to provide “telecommunications,” *i.e.* the transmission of information “without change in form or content.”<sup>24</sup> If an IP-based telecommunications service is offered as a functional replacement for a traditional TDM telecommunications service, its regulatory status and obligations should not change.

In *Verizon v. FCC*, the Court held that a service that the Commission classifies as an “information service”<sup>25</sup> cannot be subject to common carrier obligations as a matter of law.<sup>26</sup> The extent of both state and federal power to ensure fulfillment of the statutory goals of universal and affordable service, public safety, competition, and consumer protection<sup>27</sup> require that the public interest in unfettered access to communications services without discrimination or preference be protected. The Commission should consider how the provision of telephone service is being treated by carriers and the states, and ensure that it continues to be treated as a statutory telecommunications service with all of the consumer and network protections of common carrier regulation.<sup>28</sup>

Telecommunications services have historically been subject to federal common carrier regulation as well as state regulation<sup>29</sup> and consequently concerns about network functions and

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<sup>24</sup> As defined in 47 U.S.C. 153(50).

<sup>25</sup> 47 U.S.C. 153(24) Information service. The term “information service” means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.” The definition of an “enhanced service” is a service that does not “employ computer processing applications that act on the format, content, code, protocol or similar aspects of the subscriber’s transmitted information; provide the subscriber additional, different, or restructured information; or involve subscriber interaction with stored information” 47 C.F.R. §64.702.

<sup>26</sup> *Verizon v. FCC*, 740 F.3d at 649.

<sup>27</sup> Initiating Order at ¶ 1.

<sup>28</sup> 47 U.S.C. 153(51).

<sup>29</sup> While there is no question that telephone services provided over the TDM network are subject to common carrier regulation under Title II of the Communications Act, the Commission currently has before it the question of whether broadband Internet access should be classified as a telecommunications service under Section 153(50). See (see footnote 16 above for statutory text) or as an information service under Section 153(24)(“The term “information service” means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or

price, terms, and conditions of service have been subject to federal and state regulatory oversight. As part of its examination of the IP transition, the Commission should address the following specific questions: (1) do IP telecommunications services retain the same regulatory status and oversight as the TDM services they replace, or have the carriers treated them as unregulated information services, and (2) what has been the effect on price, terms and conditions, and service quality when a consumer accepts a change to IP telecommunications services.

#### **IV. The Commission Should Consider The Effect Of The Transition From TDM Service On Consumers And The Need To Preserve Statutory Core Values As Carriers Transition To IP Networks.**

Regardless of the fact that AT&T has proposed only two small trials and no other large carrier has proposed a trial, due to the business plans of incumbent carriers, consumers throughout the country have been facing the effects of the transition away from universal telephone service provided over the TDM-based network. As demonstrated by AT&T's proposed trial, these business plans not only incorporate IP technology, but would redefine the carriers' fundamental obligation to provide wireline service to all households universally and deviate from the "core statutory values" that have governed the telecommunications industry since the Communications Act was enacted in 1934.

The trials and the Commission's review provide a welcome opportunity to directly and comprehensively address changes that have been ongoing on a customer-by-customer basis for several years. In addition to gathering information and conducting analyses about the small scale

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the management of a telecommunications service.") 47 U.S.C. 153(50) & (24). See *Verizon v. FCC*, 740 F.3d 623 (D.C.Cir. 2014); *In the Matter of the Appeal Decision in Verizon v. FCC, and What Actions the Commission Should Take, Consistent with its Authority under Section 706 and all other Available Sources of Commission authority, in Light of the Court's Decision*, GN 14-28, Notice of Feb. 19, 2014.

AT&T trials, the Commission and the States need to consider information from other locations and other incumbent carriers who today are incorporating IP technology into their networks to provide interstate and local telephone service.

As state offices that regularly receive consumer complaints, the Offices of the Attorneys General have a window into how consumers are experiencing the IP transition. While other offices may have express jurisdiction to enforce state or federal telecommunications law,<sup>30</sup> consumers come to their Attorney General when they need help. These complaints warn us about how the changes being implemented by the carriers are affecting consumers and give regulators the opportunity to address the real-world effects of carriers' approaches to the transition to IP technology.

While consumers also have the right to lodge complaints about telecommunications with the Commission,<sup>31</sup> the Attorney General Offices of New York and Illinois receive a significant number of telecommunications related complaints annually.<sup>32</sup> In addition, state public utilities commissions receive another set of complaints that in recent years approximate the number of consumer contacts associated with telecommunications service reported by the Attorney General

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<sup>30</sup> See, e.g., <http://www.fcc.gov/complaints> (the Commission online site for accepting complaints); 220 ILCS 5/4-101 *et seq* (General Powers and Duties of the Illinois Commerce Commission); 83 Ill. Admin. Code 730 and 735 (Illinois Commerce Commission regulations governing telephone service); 220 ILCS 10/2 (Citizens Utility Board created to “promote the health, welfare, and prosperity” of residents “by providing for consumer education on utility service prices and on benefits and methods of energy conservation. Such purpose shall be deemed a statewide interest and not a private or special concern.”). The New York Public Service Commission also receives telecommunications complaints, as does the New York Consumer Protection Board and the New York Attorney General.

<sup>31</sup> <http://www.fcc.gov/complaints>.

<sup>32</sup> In 2013 and 2012, the Illinois Attorney General’s Office received 1,870 and 2,240 telecommunications-related complaints, respectively, consistently ranking the third or fourth highest number of complaints. [http://illinoisattorneygeneral.gov/pressroom/2014\\_02/20140211.html](http://illinoisattorneygeneral.gov/pressroom/2014_02/20140211.html) (2013); [http://illinoisattorneygeneral.gov/pressroom/2013\\_03/20130305b.html](http://illinoisattorneygeneral.gov/pressroom/2013_03/20130305b.html) (2012). In 2012, the New York Attorney General received 804 telecommunications related complaints, and 1,141 telecommunications related complaints were received in 2013.

Offices.<sup>33</sup> The Commission reported 3,805 wireline related consumer complaints in the first quarter of 2013.<sup>34</sup>

In most cases, consumers are moved to contact the government for help only after they have tried, but failed, to resolve a problem with their carrier directly. Consumers generally do not understand the intricacies of telecommunications policy and law, but they know that they are entitled to secure, reliable and affordable service. Consumers also file complaints when they believe they have been treated unfairly, or when they believe that the carrier has made mistakes that it fails or refuses to correct.

When these expectations are frustrated, they may turn to our offices. This is what we are seeing:

**a. Degraded Service Quality**

Consumers contact our offices when requests for the repair of their TDM service are delayed or not completed as expected. In many parts of Illinois, the incumbent carrier is AT&T. AT&T elected statutory “market regulation” in 2010.<sup>35</sup> While Illinois law requires AT&T to continue to provide certain basic landline telephone services in its service area, AT&T is also free to market other services, such as IP telephony under its U-verse brand and its wireless service.<sup>36</sup> As the Commission’s Local Telephone Competition Report, Status as of December 31, 2012 shows, nationwide there were 42 million interconnected Voice over Internet Protocol

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<sup>33</sup> The Illinois Commerce Commission reports that in 2012 and 2011 it received 1,988 and 1,808 telecommunications-related complaints. The numbers for 2013 have not yet been reported. ICC Consumer Services Division Annual Report for 2012 at page 25, <http://www.icc.illinois.gov/reports/report.aspx?rt=13> The New York PSC reports consumer complaints on a monthly basis. See Complaint Statistics – Office of Consumer Services,

<http://www3.dps.ny.gov/W/PSCWeb.nsf/All/448C499468E952C085257687006F3A82?OpenDocument>

<sup>34</sup> Summary of Top Six Consumer Informal Complaint Subjects Processed by the FCC’s Consumer & Government Affairs Bureau, First Quarter – Calendar Year 2013.

<sup>35</sup> 220 ILCS 5/13-506.2.

<sup>36</sup> *Id.*



(VoIP) telephone lines and 96 million end-user switched access lines in service in 2012.<sup>37</sup> According to the 2012 Report, over the period from December, 2009 through December, 2012, “interconnected VoIP subscriptions increased at a compound annual growth rate of 17%, mobile telephony subscriptions increased at a compound annual growth rate of about 4%, and retail switched access lines declined at about 9% a year.”<sup>38</sup> From December, 2011 to December, 2012, for ILECs only, nationwide, the number of interconnected VoIP lines increased by 46% while the number of switched access lines decreased by 14.75%.<sup>39</sup> The reports for 2011 and 2012 show substantial increases in ILEC VoIP, particularly bundled with Internet (*e.g.*, Alabama: 54% increase; Florida: 42% increase; Illinois: 30% increase; and New York: 87% increase).<sup>40</sup> At the same time, the number of TDM, or switched access lines, is shrinking. (*e.g.*, Alabama: 11% decrease; Florida: 14% decrease; Illinois: 11.6% decrease; and New York: 13% decrease).<sup>41</sup> Are all of these customers making the move voluntarily?

Consumer complaints indicate that at least some consumers are being moved off TDM service when the quality of service deteriorates, and some are being told that TDM, or traditional telephone service, is no longer available to them. For example, one complaint received by the Illinois Attorney General indicated that when the consumer’s line needed repair due to static so severe that it interfered with the ability to use the line, the consumer was shifted to IP U-verse Voice service.<sup>42</sup> While the consumer received clear service, she was charged a \$99.00

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<sup>37</sup> Local Telephone Competition: Status as of December 31, 2012, Industry Analysis and Technology Division, Wireline Competition Bureau, November 2013, [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-324413A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-324413A1.pdf)

<sup>38</sup> *Id.* at 2.

<sup>39</sup> *Id.* at Table 9 and Local Telephone Competition: Status as of December 31, 2011, Industry Analysis and Technology Division, Wireline Competition Bureau, January, 2013 at Table 9, <http://www.fcc.gov/document/fcc-releases-new-data-local-telephone-competition-1>

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

<sup>42</sup> Illinois OAG File No. 2014 CONSC 00370133. The Utility Reform Network, a California based consumer advocate, filed a complaint before the California Public Utilities Commission on March 17, 2014, alleging that

connection fee for the “new” service, and saw her bill increase substantially, due in part to new terms and conditions that were not explained to her when her service was switched.

Other consumers have complained to the Illinois Attorney General’s Office about stranger service quality problems, such as noise and static, lack of dial tone, phantom outbound calls, and inaccurate or inoperable special features and multiple people on the same line.<sup>43</sup> While those complaints appear limited to TDM service, the reliability and quality of the IP-based service have also been questioned. Some consumers find the new U-verse Voice service to be unreliable<sup>44</sup> and there are reports that the voice service is less clear than their former TDM service and more like a cell phone.<sup>45</sup> While it is undisputed that IP-based telephone service may provide more functions than TDM service, the Commission should take special steps to assess the quality of service provided by IP voice. The clear quality of traditional TDM service is well known. The Commission and the carriers should require no less of IP based service.

In New York, Verizon consumers whose TDM lines need repair have found their requests for repair either go unanswered or Verizon responds by trying to sell them its IP FiOS service or its wireless Voice Link service. Many months before Verizon’s facilities along the Atlantic seaboard were damaged by Hurricane Sandy, Verizon publicly stated its intention to migrate customers from copper to FiOS, its IP product, wherever the company installed fiber, and to migrate customers to wireless service everywhere else.

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Verizon was refusing to repair TDM service, and effectively forcing consumers to accept its VoIP product, knowingly or not. Emergency Motion of The Utility Reform Network (TURN) Urging the Commission to Take Immediate Action To Protect Verizon Customers and Prevent Further Deterioration of Verizon’s Landline Network, CA PUC No. R-11-12-001, [TURN Emergency Motion re Verizon](#). Verizon denies that consumers are being “forced” off its TDM network. See <http://bgr.com/2014/03/24/verizon-fios-migration-accusations/>

<sup>43</sup> Illinois OAG File Nos. 2014 CONSC 00369693, 2014 CONSC 00369069, 2014 CONSC 00369668.

<sup>44</sup> Illinois OAG File Nos. 2013 CONSC 00368429 (elderly customer left without service due to repeated IP telephony outages); 2013 CONSC 00357899 (reliability).

<sup>45</sup> Illinois Citizens Utility Board Case ID 00208538 (6/27/2013) (“the telephone service is now very, very noisy with a continuous load [sic] buzz.”); Case ID 00210560 (11/21/2013)(“phone line has poor reception, drops calls or has static noise.”)

Verizon CEO Lowell McAdam announced this new corporate strategy as follows:

(T)he vision that I have is we are going into the copper plant areas and every place we have FiOS, we are going to kill the copper. We are going to take it out of service and we are going to move those services onto FiOS. We have got parallel networks in way too many places now, so that is a pot of gold in my view.

And then in other areas that are more rural and more sparsely populated, we have got LTE built that will handle all of those services and so we are going to cut the copper off there. We are going to do it over wireless, not have a FIOS network, and force customers to accept wireless Voice Link.<sup>46</sup>

After Hurricane Sandy, and in response to residents' complaints about the lack of telephone service, the New York Public Service Commission held public hearings on Fire Island, New York. At that hearing, no fewer than eight people testified that when they asked Verizon to repair their service, it was not done.<sup>47</sup> These residents were left to put up with degraded wired telephone service, and when that failed, offered the wireless substitute for both voice and data.

#### **b. Unavailable Service**

Illinois and New York consumers have already been told that the incumbent local exchange carrier will no longer provide service to various customer locations. For example, an Illinois customer complained that he was told that ordinary telephone service was unavailable at his home in a dense area on the north side of Chicago. He reported that "in order to get a landline, it would be required to also bundle with another service, e.g. cable tv, Landline regular phone service was not available by itself."<sup>48</sup> Since a bundled package "did not fit my

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<sup>46</sup> See Thompson Reuters Street Events Edited Transcript of June 21, 2012 1:00 P.M. G.M.T interview of Verizon Chairman and CEO Lowell McAdam at Guggenheim Securities Symposium.

<sup>47</sup> Several witnesses testified that they were told by Verizon service personnel: "I can't fix your line. I have been told I can't fix your line." See Temporary Use of Verizon's Voice Link Service on Fire Island, Transcript of August 24, 2013 Public Hearing at Ocean Beach Community House, Ocean Beach, New York, NY PSC Case No. 13-C-0197, *Tariff filing by Verizon New York Inc. to discontinue its current wire line service offerings in a specified area and instead offer a wireless service as its sole service offering in the area*, at 37. See also 42 ("four people are supposed to show up [for repair], never did,"), 45 ("they didn't come"), 54, 72 ("several repairs for people that have never showed up."), 78, 82, 91 ("We have been told that if the landlines fail we will not get them fixed.").

<sup>48</sup> Illinois OAG Complaint 2014 CONSC 00370650.

need/preference” he declined service.<sup>49</sup> However, he was later billed for service, and complained when the charges rose to \$96.32, including \$7.00 late payment charges.<sup>50</sup> Another consumer in suburban DuPage County, Illinois reported receiving a bill for \$162.00 from the ILEC for telephone service he never received.<sup>51</sup> While these consumers were moved to contact the Attorney General after being billed for services they did not receive, they would have been landline telephone service customers had they not been told that service was not available. When assessing the assertion that consumers are leaving landline service “in droves,”<sup>52</sup> the Commission should investigate whether consumers are being told that stand-alone landline service will not be provided upon request, or must be bundled with Internet or video service.

The situation in Fire Island, New York, where Verizon sought to discontinue landline telephone service after Hurricane Sandy, further highlights the problem of consumers being refused or discouraged from obtaining landline telephone service in areas where the incumbent, *i.e.*, Verizon, has not deployed its IP service<sup>53</sup> and stopped repairing its TDM network. Consumers’ experience with the wireless substitute offered in place of TDM and IP telephony, is discussed below.

### **c. Changed Prices, Terms, and Conditions**

For about 100 years traditional telephone service has been subject to state regulation over prices as well as terms and conditions to assure that service is provided on just and reasonable terms. With the change to IP enabled service, carriers have changed both prices and terms and conditions. Consumers in some instances reach out to state Attorney General offices when their

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<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> Illinois OAG Complaint 2014 CONSC 00371500.

<sup>52</sup> AT&T Proposed Trials at 4.

<sup>53</sup> Verizon stopped FIOS expansion in 2012. However, some commentators suggest that it should restart its build-out. See <http://www.dslreports.com/shownews/Verizon-Again-Confirms-FIOS-Expansion-is-Over-118949> ; <http://www.speedmatters.org/blog/archive/verizon-ceo-hedges-on-fios-expansion/> (March 11, 2014); and Verizon Might Someday Look At Expanding FIOS Further, <http://www.dslreports.com/blog?cat=92> (March 12, 2014).

service does not match their expectations, because of a lack of disclosure or notice, because the changed terms were not clearly understood, or because the consumer finds the changes unfair or unreasonable. Some of the concerns expressed by consumers are as follows:

1. Voluntary Change. When assessing the rate at which customers are transitioning to digital service, and whether those changes are voluntary, the Commission should be aware that the carrier's marketing may lead consumers to believe they have no choice but to change their service. For example, an AT&T marketing letter dated May 3, 2013 informed the customer: **"We are excited to tell you that within the next 45 days, we'll be moving your Internet service to the AT&T U-verse network!"** (bold in original.)<sup>54</sup> When the customer contacted AT&T to arrange for new equipment, he resisted the change, and was then told that the letter was only "marketing" and while he would not be automatically switched, his service would have been interrupted had he not called.<sup>55</sup> Another consumer expressed concern that if she moved to U-verse, her price would remain the same for one year, but thereafter it would increase to the new U-verse data rate. She wanted to avoid the price increase and resisted the change.<sup>56</sup>

2. Increased Charges. The most common complaint from consumers is that telephone service charges are not what the consumer expected after a switch to IP-based service. Consumers have complained that when they call the carrier to see if they can reduce their telephone service charges, they are encouraged to take IP-based service, in AT&T's case, U-verse Voice.<sup>57</sup> Another customer stated: "every month they try to

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<sup>54</sup> Illinois OAG Complaint 2013 CONSC 00357797.

<sup>55</sup> *Id.*

<sup>56</sup> Illinois OAG Complaint 2013 CONSC 00368390.

<sup>57</sup> *E.g.*, Illinois OAG Complaint 2013 CONSC 00365916.

charge me more and more.”<sup>58</sup> The carrier charged the consumer a \$99.00 installation fee to switch her service to U-verse Voice, and the terms and conditions changed significantly, resulting in an unstable and higher than expected bill.<sup>59</sup> Upon investigation, it became clear that instead of being charged on a *per call* basis for local calls, she was charged on a *per minute* basis for local calls, although this billing practice was not explained to the customer at the time that she was switched to U-verse. This is a major change from the way local calls are billed in Illinois, and resulted in the unstable and increasing charges she experienced.

Changes to the terms and conditions of service are not always clearly communicated to consumers either online, in online “chat” conversations, or in direct conversations with customer service representatives. AT&T describes of AT&T U-verse Voice 200 as providing 200 minutes of use, as follows:

Unlimited calling to other Uverse Voice customers, plus 200 minutes of anytime calling to anyone else in the U.S., Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Marianas. Additional minutes billed at 7¢ per minute.<sup>60</sup>

In other words, U-verse Voice is unlimited to some customers, but other calls, local or long distance, are treated like “toll calls” subject to minutes of use charges. This term of service treats calls to U-verse Voice customers more favorably than it treats calls to other numbers, raising the question of unreasonable or undue discrimination and preference.<sup>61</sup> While calling plans are not new, the cost for the call is ordinarily linked to location or distance rather than which carrier serves the called party, a factor that is not generally known to most consumers.

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<sup>58</sup> Illinois OAG File No. 2014 CONSC 00370133.

<sup>59</sup> *Id.*

<sup>60</sup> See <http://att.com/shop/home-phone.html?tgccParam=1>

<sup>61</sup> See 47 U.S.C. 202(a).

Treating all local calls as toll calls subject to minutes of use charges may be a significant change in the way consumers are charged for local calls. This change can be expected to either result in consumers limiting their use of the network to save money, or in increased bills. The AT&T trial wire centers both serve populations that can be expected to be sensitive to price changes. AT&T reports that 51% of the population in the King's Point, Florida wire center are over 65 years, and 21% of the households in the Carbon Hill, Alabama wire center are below the poverty level.<sup>62</sup> The effect of this change in pricing on senior citizens and those of modest incomes should be closely reviewed in the proposed trials. In addition, the Commission should consider (1) whether consumers in these wire centers and in other states and wire centers currently have untimed *local* calling, (2) the effect of a change to toll, minute of use charges on both usage and total cost to the consumer, and (3) whether there is a cost basis for the resulting increase in charges.

In New York, Verizon advertises many different prices for FiOS voice only service. For example, the unbundled phone service, Digital Voice, is shown as \$59.99 for "unlimited calling" in New York City.<sup>63</sup> Elsewhere on its site, Verizon identifies a FiOS Digital Voice service for \$14.99 plus \$0.05 per minute for all calls.<sup>64</sup> In Lansing, New York, regional home phone service is advertised at \$37.04, and bundled with

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<sup>62</sup> AT&T Wire Center Trial Operating Plan at 7 (Feb. 27, 2014).

<sup>63</sup> On Verizon's web site, the price for telephone only service in New York City is \$59.99 for one year. <http://www.verizon.com/home/shop/shopping.htm> (deselect TV and Internet for Telephone only price). The price for telephone and Internet is lower, ranging from \$34.99 to \$54.99, but requiring a two year contract. *Id.* (select Internet and Telephone only). However, Verizon notifies consumers that Internet service and speeds are not guaranteed as follows: "Speeds and service availability vary. High Speed Internet Enhanced service will be provisioned based on customer location and Verizon line qualification requirements. Most will qualify at 1.1–3 Mbps speed tier. The 3.1–7 Mbps and 7.1–15 Mbps service tiers ranges are available in select locations only. Availability subject to final confirmation by Verizon." *Id.*

<sup>64</sup> See <http://deals.servicebundles.com/verizon-home-phone/new-york>

Internet is shown at \$39.99.<sup>65</sup> However, these offerings are higher than the price for “plain old telephone service” or POTS, in Binghamton, New York which is listed at \$15.80 per month with untimed local calls at \$0.09 per call (not per minute).<sup>66</sup> Additionally, the FiOS device runs on house power, costing consumers for electricity and in the event of a power outage, runs on battery backup for a limited time only.<sup>67</sup> By comparison, the wireline service is self-powered.<sup>68</sup> Verizon does not disclose the typical electrical consumption of its FiOS device, a significant cost in parts of New York which have some of the highest electricity rates in the country, especially on Long Island and the New York City region.

3. Connection charges. Consumers who are encouraged to change from traditional landline service to U-verse IP-based service do not appear to be told that they will also be charged a \$99.00 installation fee for voice service. While AT&T is willing to allow the consumer to pay this fee over three months upon complaint from the consumer, the additional charge for a change the Company initiated for the same functional service,

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<sup>65</sup> The Internet speed is shown as only up to 1 Mbps. <http://deals.servicebundles.com/verizon-home-phone/new-york/lansing#>

<sup>66</sup> See <http://www.verizon.com/FORYOURHOME/GOFLOW/OrderNew/BuildBundle.aspx>

<sup>67</sup> There was also an issue where a PSC audit found that half of FiOS installations failed to properly ground the device, exposing consumers to electrocution/fire risk. This was resolved by forcing the company to go back and check every installation and correct them to meet National Electrical Code standards. <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=08-V-0835> (see Orders posted February 18, 2011, January 29, 2009, November 3, 2008).

<sup>68</sup> Verizon points out that factor in its description of its telephone service in Lansing, NY: Unmatched Peace of Mind and Convenience. There are a lot of reasons to have home phone service from Verizon. You won't drop calls, your phone will almost always work, and when you're at home, you are always reachable. Here are just a few more reasons a home phone in Lansing is a good idea:

- FCC recommends a land line in an emergency
- Will work in a power outage
- Multiple phone on one line
- A clear connection, every time. <http://deals.servicebundles.com/verizon-home-phone/new-york/lansing#>



*i.e.* telephone service, raises the question of unjust and unreasonable charges as well as notice.<sup>69</sup>

4. Early termination charges. Consumers who have been encouraged or directed to change their DSL service for U-verse data have complained of being charged an early termination charge when they terminate U-verse service in less than a year. AT&T's web site states that a one-year commitment is required for U-verse data service, although the size of the early termination fee is only included in the "see offer details" link for 13 various offers.<sup>70</sup> Notice of this fee is often not clearly communicated to the customer, and raises equity concerns when the consumer is directed to change from DSL to U-verse. As one consumer stated in his complaint to the Illinois Attorney General:

At the end of May [2013] ATT sent me a letter stating that I was REQUIRED [to] change to their U-verse Network. I did not ask for the change. The result was a disaster. I cancelled my service and moved to another provider. However, when I cancelled I was informed that I had a new CONTRACT when I changed to U-verse. I was never told about a contract, did not agree to one, was not requesting anything but rather was required to make a change. ... ATT waived the cancellation costs when I 'reacted' so I do not have anything to recover but this practice cannot be permissible under the law."<sup>71</sup>

The imposition of early termination fees for a new service that the customer has not requested raises significant equity concerns because not all customers have the time or ability to dispute the charges in the event they encounter problems with the new service.

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<sup>69</sup> Illinois OAG Complaint 2014 CONSC 00370133, 2013 CONSC 00365916 (customer refused to pay the \$99 installation fee for Voice and the \$100 installation fee for Internet access and ultimately lost all service despite calling to reduce her bill).

<sup>70</sup> The "see offer details" link on AT&T's website contains terms and conditions for service bundles and is several pages long. The early termination charge states: "**Offers available for new residential AT&T Internet customers only.** 12-month term required. After 12 months, standard rate applies unless cancelled by customer. Qualifying AT&T home phone service required. Promotional rates may no longer apply if customer changes their speed tier during term. Up to \$180 early termination fee applies." Link available at <http://www.att.com/shop/internet.html#internetvoicebundles>

<sup>71</sup> The complainant discussed in this paragraph enclosed two pieces of correspondence from AT&T to the customer. One letter dated May 13, 2013 references the one-year term, but only discloses that a \$180 early termination fee "may apply if U-verse services are terminated" in the third of three endnotes. The second letter dated May 20, 2013 does not mention an early termination fee. Illinois OAG Tracking No. 13-145961.

This practice can also raise competitive concerns because it results in substantial transaction costs to consumers in the event they seek service from an alternative provider or simply choose to go without unsatisfactory service.

Customers who might not have IP service available and are offered the option to replace their TDM service with a wireless home phone face connection fees as well as activation fees. While a customer can avoid the \$99.00 connection fee and the \$36.00 activation fee by signing a two-year contract for AT&T's Wireless Home Phone, if the service proves unsatisfactory because the strength of the signal is insufficient, or the voice quality is not acceptable to the customer, the customer will face a \$150 early termination fee. Customers moving from AT&T's TDM service into a Wireless Home Phone face the significant risk of a two year contract on an untried wireless service or significantly higher initial charges.<sup>72</sup>

5. Loss of legacy functions: Medical monitoring, security monitoring, building security/ "doorbell" function, fax machine usage, and other legacy functions may be impaired or lost by the transition to wireless or IP service. While a telephone company cannot be expected to know the needs of each of its individual customers, the failure to disclose changes in these services can cause dangerous situations. An Illinois consumer wrote to the Attorney General to point out that "if I had installed the system [U-verse Voice] and needed my emergency system it wouldn't have worked – no one ever asked me that question because I never would have ordered it." She did not go forward with the switch to U-verse because the Company had placed additional

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<sup>72</sup> See Offer Details link at: <http://www.att.com/shop/wireless/devices/att/wireless-home-phone-silver.html>

conditions on her purchase of the service due to “an assessment of your credit history.”<sup>73</sup> Illinois regulations regarding satisfactory credit requirements is discussed below.<sup>74</sup>

Customers of wireless substitutes, such as AT&T’s Wireless Home Phone and Verizon’s Voice Link also lose many legacy functions. AT&T’s web site acknowledges that Wireless Home Phone “is not compatible with home security systems, fax machines, medical alert and monitoring services, credit card machines, IP/PBX Phone systems, or dial-up Internet service.”<sup>75</sup> Verizon customers who subscribe to Verizon Home Phone Connect will find the same limitations.<sup>76</sup> The experiences and concerns of Fire Island, New York residents and businesses who were limited to Verizon’s Voice Link service when Verizon declined to repair traditional telephone service in their area are discussed below.

#### **d. Loss of Telecommunications Regulatory Protections.**

As the example above demonstrates, a customer seeking IP based or wireless home phone service may be required to provide financial performance guarantees or other charges beyond those allowed under Illinois or other state regulations. Consistent with the goal of protecting consumers’ option to be connected to the telephone network,<sup>77</sup> Illinois regulations limit the requirements that can be placed on new customers to posting deposits or prepayment. For example, a deposit is limited to two months service charge for residential customers, and can

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<sup>73</sup> Illinois OAG Complaint 2013 CONSC 00358957.

<sup>74</sup> See page 23, below. A customer with current service that is not past due is entitled to service without a deposit under Illinois rules. 83 Ill. Adm. Code 735.110(e)(2)(A): “If the applicant has verifiable previous service with any telephone company for at least twelve months and the payment record on the account was satisfactory, the applicant would obtain service without a deposit.”

<sup>75</sup> <http://www.att.com/shop/wireless/devices/att/wireless-home-phone-silver.html>

<sup>76</sup> <http://www.verizonwireless.com/b2c/device/home-phone-connect?selectedContractTerm=2>

<sup>77</sup> The public interest in widespread connection to the communications network is reflected in Section 201 of the Telecommunications Act. “It shall be the duty of every common carrier engaged in interstate commerce or foreign communication by wire or radio to furnish such communication service upon reasonable request therefor; ... All charges, practices, classifications, and regulation for and in connection with such communication service, shall be just and reasonable.... The Commission may prescribe such rules and regulation as may be necessary in the public interest to carry out the provisions of this chapter.” 47 U.S.C. 201.

only be required under specified circumstances.<sup>78</sup> By contrast, it appears that AT&T has asked for deposits as high as \$450 for U-verse service, although the credit requirements for Voice alone are unclear.<sup>79</sup> Other consumer protections include notice prior to disconnection and the postponement of disconnection for 30 days in the event of illness.<sup>80</sup> Customers who only have wireless home phone options will lose the protections provided by traditional telephone regulation.

**e. Effect Of Loss Of Wireline Service And Mandatory Cellular Substitution.**

AT&T has stated that “some locations lack a positive business case for private sector investment”<sup>81</sup> and it has indicated its intention not to provide wireline service over its IP network to 25% of its customer locations.<sup>82</sup> In its Carbon Hill, Alabama trial, it intends to provide Wireless Home Phone service and discontinue the TDM network to a [confidential] portion of its Carbon Hill customers. AT&T suggests that “universal service support may be necessary to solve the broadband equation for everyone,”<sup>83</sup> implying that it is not willing to offer IP-based service in areas where the expected revenue from an individual wire center does not meet the company’s expectations unless it receives subsidies from the Universal Service Fund.

In addition to reviewing the sufficiency of the wireless telephone and Internet access that AT&T (and Verizon) promote(s) as a substitute for wireline service, the Commission should

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<sup>78</sup> 83 Ill. Adm. Code 735.100-735.120. For example, Illinois regulations provide that a new customer can be asked for a deposit if the customer does not meet two of seven credit criteria, such as existing service, home ownership, employment for two or more years, or having a credit card or bank account. *Id.* at 735.110(e).

<sup>79</sup> Credit requirements are not conspicuously presented on ATT.com. The Illinois Attorney General has received informal inquiries about the \$450 deposit requirement for U-verse Video. The AT&T customer forum includes a report of similarly high deposit requirements for video at <http://forums.att.com/t5/U-verse-General-Care-and-Support/Required-Deposit/td-p/3681371> (customer complained of a \$449 deposit requirement on AT&T customer forum, 10-12-2013). See also <http://www.complaintsboard.com/complaints/att-u-verse-charlotte-california-c276947.html> (2009-2011 - customer informed of required \$450 deposit and comments).

<sup>80</sup> *Id.* at 735.130 & 735.140.

<sup>81</sup> AT&T Proposed Trials at 17.

<sup>82</sup> *Id.* at 6 (“Our wireline IP network will reach approximately 75 percent of the customer locations in our 22-state wireline footprint, with many experiencing faster speeds.” AT&T asserts that 99% of its customer locations will have access to 4G LTE wireless services.).

<sup>83</sup> *Id.* at 17.

independently assess the costs associated with expanding IP service to a carrier's entire existing footprint. AT&T and Verizon, as well as Comcast and other carriers, are multi-billion dollar companies that are providing service in the densest parts of the country as well as in the less dense areas.<sup>84</sup> Further, these companies tend to have uniform rates nationally, raising the question of whether the revenues from the areas that are less costly to serve are sufficient to expand service to the more costly per customer areas. The Commission cannot assess the assertion that it is not economical to serve a small area like Carbon Hill, Alabama without knowing both the cost to provide wired IP service to that area, and how that cost compares to the overall profitability of the firm. From a state and local point of view, profitability should be considered on the state level, rather than on the level of a wire center. Using the wire center as the measure of profitability ignores the economies of scale that are the essence of the network, and the benefits that result when high cost and lower cost areas are combined to provide universal access to the network at reasonable prices.

In its trial proposal, AT&T asserts that wireless networks are sufficient to replace both wireline voice and Internet service. Nevertheless, the Company cautions that it is still developing certain enhancements or capabilities not yet available, such as compatibility with home security systems, fax machines, medical alerts, and credit card applications (which are essential to business customers).<sup>85</sup> As described above, Verizon's "home phone" wireless product also has these limitations.

In New York, Verizon offers to substitute wireless Voice Link for wireless facilities when it informs customers that repair of their wireline service will no longer be available. Even in areas far beyond Fire Island that were unaffected by Hurricane Sandy, Verizon has asked

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<sup>84</sup> AT&T Wire Center Trial Operating Plan at 5.

<sup>85</sup> *Id.* at 20.

customers to substitute wireless Voice Link for wireline service without clearly disclosing all of the significant differences in service such as Voice Link's inability to support DSL, alarm systems, medical alert devices, or fax machines.<sup>86</sup> According to Communications Workers of America (and confirmed by complaints to the New York Attorney General), Verizon is rolling out Voice Link from New York City to the Catskills region, and all the way to Buffalo.

New York consumers have attended multiple public hearings to express their disappointed expectations with Voice Link service.<sup>87</sup> In the absence of IP investment by the incumbent carrier, consumers lost both reliable telephone service and high speed Internet service (i.e. faster than 4 mbps).<sup>88</sup> They were left with wireless service that in some cases was unreliable,<sup>89</sup> lacked clear voice quality that made it impossible for a person with hearing loss to use the service,<sup>90</sup> and was insufficient for expected Internet business functions such as credit card transactions or simply taking restaurant reservations.<sup>91</sup>

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<sup>86</sup> See NYSPSC Case 13-C-0197, Emergency Petition Of New York Attorney General Eric T. Schneiderman For An Order Preventing Verizon From Illegally Installing Voice Link Service In Violation Of Its Tariff And The Commission's May 16, 2013 Order, filed June 26, 2013, [http://documents.dps.ny.gov/public/common/view\\_doc.aspx?DocRefId={A3FOA269-8613-4437-AEB3-35ACCF6E5A47}](http://documents.dps.ny.gov/public/common/view_doc.aspx?DocRefId={A3FOA269-8613-4437-AEB3-35ACCF6E5A47}). Verizon's web site, in suggesting that consumers subscribe to wireline telephone service in Lansing, NY states: "You may not know it, but as many as 12% of cell phone calls are dropped. In Lansing there are currently 3,680 people. Taking a daily average, this means there are 3,533 dropped calls. Don't get disconnected on the calls that matter most. Verizon home phone delivers 99.9% network reliability. As a subscriber you also get: A clear connection." <http://deals.servicebundles.com/verizon-home-phone/new-york/lansing#>

<sup>87</sup> See NY PSC Case No. 13-C-0197, *Tariff filing by Verizon New York Inc. to discontinue its current wire line service offerings in a specified area and instead offer a wireless service as its sole service offering in the area*. Verizon later withdrew this request in a letter dated September 11, 2013 <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=13-C-0197>

<sup>88</sup> See *id.*, Public Comment tab (indicating 1,740 comments as of 12/6/2013) and Temporary Use of Verizon's Voice Link Service on Fire Island, Transcript of August 24, 2013 Public Hearing at Ocean Beach Community House, Ocean Beach, New York, NY PSC Case No. 13-C-0197, *Tariff filing by Verizon New York Inc. to discontinue its current wire line service offerings in a specified area and instead offer a wireless service as its sole service offering in the area*.

<sup>89</sup> *Id.* Many people testifying at the hearing described unreliable service, including interruptions by recorded message, dropped calls, inability to be heard, lack of connection when making calls, and lack of connection when called.

<sup>90</sup> *Id.* at 68 ("I was able to hear quite well I would say on a land line and hold a long conversation. And with the Voice Link service that I now have my telephone is useless to me. ... Communication is a treasure and if you're losing your hearing you experience that more than ever.").

<sup>91</sup> *Id.* at 6-8.

Consumers on Fire Island, New York, where Verizon sought to replace wireline telephone and Internet access with its wireless Voice Link service for a period of time before agreeing to restore wireline service, provided written comments to the New York Public Service Commission and attended hearings describing how they were experiencing the IP transition.<sup>92</sup> Consumers raised the fundamental question of whether it is legal or fair to allow an incumbent carrier to disinvest in a community where it has provided service, mostly on a monopoly basis, for years.<sup>93</sup> One consumer stated: “We are not that many people. We’re here just mainly during the summer months, but around the country there are many, many other places that are far away that are inconvenient for Verizon. And if they can get away with not servicing their customers, they’re certainly going to get away with it.” The consumer concluded with asking that Verizon be required to continue to provide landline telephone service to his community on Fire Island in New York.<sup>94</sup>

In addition to consumer frustration with inadequate wireless telephone and Internet access service, the Commission must assess the capacity of the nation’s wireless system. In its *Report to the President on Communications Resiliency* (April 19, 2011) the President’s National Security Telecommunications Advisory Committee pointed out that mobile data use is a tiny percentage of overall data use, with the vast majority of data going over the wired network. It concluded that wireless data use “will remain a small percentage of overall data traffic *given the*

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<sup>92</sup> See NY PSC Case No. 13-C-0197, *Tariff filing by Verizon New York Inc. to discontinue its current wire line service offerings in a specified area and instead offer a wireless service as its sole service offering in the area*. Verizon later withdrew this request by letter dated September 11, 2013. See also Public Comments tab indicating 1746 public comments.

<sup>93</sup> *Id.* at 73, 95-96 (“I don’t understand why the Public Service Commission gave Verizon the authority not to fix our lines. A public utility is mandated to service customers. It’s not optional. Some years you make a lot, some years you don’t make so much, but you can’t say ‘Oh, we’re really not going to do it because we’re not making enough.’ It’s just not an option. Because you’re a monopoly, because you are a public utility, that’s not something you can say.”).

<sup>94</sup> *Id.* at 97.



*spectrum limitations inherent in wireless infrastructure.”*<sup>95</sup> In considering whether wireless service, both telephone and data, is a fair substitute for wired service, the Commission must assess not only the legacy functions of the TDM network, but the capacity of the wireless network in light of these spectrum limitations.

#### **f. Conclusion**

Consumers today are facing the real changes associated with the IP transition. AT&T is correct when it states that “[t]he IP transition is well underway.”<sup>96</sup> While “the fourth network revolution” described by Chairman Wheeler<sup>97</sup> has the potential to bring improved and innovative services, today too many consumers are describing poorer service, increased prices and fees, and misleading communications. The Commission should address the transition, both in terms of the trials proposed in this proceeding and in addressing the ongoing IP transition with an eye firmly on the statutory core values of universal and affordable service, public safety, accessibility to people with disabilities, and competition. While the transition from TDM based communications services to IP based communications services involves a shift in underlying technology, it is also involving substantial changes to consumers’ access to quality communications services, costs, and available functions. The experiences of consumers as reported to States and other regulatory agencies provide valuable insight into how consumers are experiencing the IP transition and how they can be expected to respond to the possibility that they will lose the option of landline telephone service and Internet access. These are issues that the Commission should expressly examine as part of the trials and its review of the IP transition.

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<sup>95</sup> *Report to the President on Communications Resiliency*, the President’s National Security Telecommunications Advisory Committee at 4-5 (April 19, 2011)(emphasis added).

<sup>96</sup> AT&T Proposed Trials at 2.

<sup>97</sup> *Id.*; Tom Wheeler, *Net Effects: The Past, Present and Future Impacts of Our Networks*, ebook (Kindle) at location 103.



**V. The Commission Should Require Extensive Reporting From The Major Providers Of Telephone Service So The Effects Of The IP Transition Can Be Identified And Addressed.**

The Commission has invited proposals for data collection in connection with the technology and service trials authorized in this proceeding. The trials are intended to include “a diverse set of experiments and data collection initiatives” to evaluate the effect of the transition from TDM circuit-switched voice services to an all- IP network using copper, co-axial cable, wireless, and fiber as physical infrastructure.<sup>98</sup>

The Commission and commenters have laid out what is at stake in this proceeding. The proposals to “transition” to IP do not just replace one technology with another – like going from rotary dial telephones to touch tone. Rather, AT&T’s proposed trial as well as Verizon’s proposal to discontinue TDM service and replace it with wireless home phone service in New York demonstrate that incumbent telephone companies’ obligation to provide universal, reliable, and affordable telephone service to all locations in its service territory is in the balance.

In order to enable the Commission to identify the issues and their potential resolution, it is crucial that comprehensive and consistent information be produced by each trial and that the Commission reach out to major carriers to gather needed information. The two AT&T trials that have been proposed are too small to enable the Commission to assess the effect of the IP transition on our communications networks and needs. A broader data collection effort is needed. A list of proposed questions to facilitate gathering data to allow an accurate assessment of how the IP transition is affecting consumers and their communications needs is included as Attachment 1 to these Comments.

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<sup>98</sup> Initiating Order, ¶ 1.

In connection with the IP transition, the Commission should require the telephone and Internet access providers who provide service in areas with more than 1 million customer locations and originated as regulated cable or telephone carriers to provide the information identified on Attachment 1 to these Comments. In addition, the Commission should hold public hearings in the areas where the trials are being conducted, after providing consumers with specific information, approved by the Commission and the local regulatory commission, about the service changes that are expected, including changes in functions, service quality, reliability, price, and other terms and conditions.

## **VI. Conclusion**

Wherefore, for the above reasons, the People of the State of Illinois, by Attorney General Lisa Madigan, and the People of the State of New York, by Attorney General Eric Schneiderman, request that in evaluating the effects of, and responding to, the transition from TDM, circuit switched telecommunications services to IP based telecommunications services,

the Commission require the major incumbent carriers (or their successors) to provide the information identified herein and in Attachment 1 to these Comments, and further, that the Commission invite the State regulatory commissions and State Attorneys General to share their experiences with telecommunications consumers so that the Commission can be informed about the day-to-day effect of the IP transition on consumers.

Respectfully submitted,

**The People of the State of Illinois**

**By LISA MADIGAN, Attorney General**

\_\_\_\_\_/s/\_\_\_\_\_

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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Technology Transitions	)	GN Docket No. 13-5
	)	
AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition	)	GN Docket No. 12-353
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
Structure and Practices of the Video Relay Service Program	)	CG Docket No. 10-51
	)	
Telecommunications Relay Services And Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities	)	CG Docket No. 03-123
	)	
Numbering Policies for Modern Communications	)	WC Docket No. 13-97
	)	
	)	

**Attachment 1 To The People Of The State Of Illinois  
Comments On Trials and Data Collection**

Data should be collected by the Commission so that the following questions can be answered to assess the effect of the IP transition on consumers. This information should be gathered at public hearings, from the Commission's Consumer and Government Affairs Bureau, and solicited from state public service commissions, from state Attorneys General, and from non-for-profit associations and organizations (e.g. AARP, Citizens Utility Boards) that have regular contact with consumers.

The issues raised by the trials are not limited to the two small wire centers selected by AT&T for its technical trials. In order to assess the effects of the IP transition, the Commission needs to look beyond these two small trials, and evaluate the experiences of the states and consumers where the shift from traditional TDM service to IP based and wireless telephony and Internet access is occurring.

The Commission should gather information sufficient to enable it to answer the following questions related to the IP transition:

## **1. Service Availability**

### **A. Universal Service.**

1. What has been the effect of the IP Transition on universal service?
2. Are telephone and Internet access services becoming more or less available to Americans as a result of the IP transition and associated wireless substitution?
3. Are there differences in availability of services among rural and urban areas, among states, and within and among ILEC service areas?
4. Is there a cost basis for a reduction in service availability?
5. Is it reasonable to ask a carrier that provides telephone service to provide universal service without subsidy?
6. What factors should be considered in determining whether a universal subsidy is appropriate, such as whether the carrier charges a unified rate for all areas nationally or on a state basis, and the extent of the financial and investment burden of universal service?

### **B. Mandatory Bundling.**

1. At any time over the last five years, have residents seeking to order new residence telephone service been told that stand-alone landline telephone service will not be provided upon request, or must be bundled with Internet or video service?
2. At any time over the last five years, have customers with existing stand-alone landline services been advised that they will be required to accept a bundle in order to retain their basic telephone service?

### **C. Connection Fees.**

1. Are consumers being charged a connection fee to switch from TDM to IP based service (a) when the TDM to IP migration is at the request of the customer and (b) when the TDM to IP migration is involuntary or at the suggestion of the carrier in response to an inquiry about service quality, repair, or price?
2. How much is the fee and is there a cost basis for the connection fee?

### **D. Early Termination Fees.**

1. Are early termination fees assessed for voice or data service (a) when the TDM to IP migration is at the request of the customer and (b) when the TDM to IP migration is involuntary or is at the suggestion of the carrier in response to an inquiry about service quality, repair, or price?

2. If so, what is the amount, what notice is provided to the consumer, and is there a cost basis for the charge?

## **2. Service Quality**

### **A. Voice Quality**

1. Are customers satisfied with TDM service?
2. Are customers satisfied with IP voice services? Does customer satisfaction with IP service vary based on distance from the wire center?
3. Have consumers found the wireless “home phone” option to be a true and acceptable substitute for wireline services where a wireline service is no longer available?

### **B. Repair experience**

1. How are consumer requests to repair local telephone service and Internet access service handled?
2. Are repair requests incorporated into the IP Transition, and if so, how are consumers being informed of the associated changes in service?
3. Does the carrier migrate a customer from TDM service to IP service in response to repair requests made with respect to voice telephone service? If so, what percentage of repair reports results in the replacement of TDM service with IP based service?
4. Have repair requests with respect to existing TDM services resulted in the termination of voice telephone service for that customer? If so, what percentage of repair reports result in the termination of telephone service?

## **3. Prices, Terms, and Conditions**

### **A. Prices**

1. What are the prices for TDM based local telephone service and what are the prices for the IP based local telephone service to which the transitions are occurring?
2. Are TDM telephone services tariffed in the state? Which ones?
3. Are IP-based telephone services tariffed in the state? Which ones?
4. Are stand-alone voice services available? Is stand-alone local service available?
5. Are untimed local calls currently available in the trial areas or in other states?

6. How are local IP voice services priced? Are they priced per minute, per call, unlimited, or otherwise? What is range of calling?
7. What is the effect of a change to toll, minute of use charges for local usage on use of the network and total cost to the consumer for residence TDM services that are migrated to IP?
8. Is there a cost basis for minute-of-use charges?
9. Are preferences shown to some carriers' customers?
10. How do these practices comport with the basic principles of common carriage?

#### **4. Competition**

1. In how many areas are there other wired options available, e.g., from municipal networks or cable networks, and are consumers using those options?
2. What will be the effect on competition if AT&T withdraws wireline telephone and Internet access from households in in the trial areas?
3. What will be the effect on competition and consumer choice if AT&T, Verizon or another incumbent carrier withdraws wireline telephone and Internet access from households in parts of their service area?
4. What consumer protections will be necessary if the IP transition results in only one, or at most two, wireline telephone and Internet access provider(s) in a given part of the country?

#### **5. Consumer Protection**

1. Do the carriers treat IP telecommunications services as telecommunications services or as information services?
2. Are IP-based services subject to different state regulatory treatment than TDM-based services? If so, what are the differences?
3. What is the effect on price, terms and conditions, and service quality if IP telecommunications services are treated as an information service?
4. Does a consumer's shift to IP technology for telecommunications services such as telephone service and Internet access remove those services from state or federal regulatory or other consumer protection?

## **6. Internet access**

1. Will high speed access to the Internet become more or less available when areas are transitioned to IP?
2. Will the charges for Internet access increase or decrease when areas are transitioned to IP, and how will prices be affected by bundling requirements?
3. In areas without IP wireline service, are the terms of wireless Internet access comparable to wireline Internet access in terms of price, usage caps, speed and other factors?
4. In areas without IP wireline service, are there spectrum limitations that will reduce the capabilities or capacity of wireless Internet access compared to wireline Internet access?

## **7. 911**

1. Will 911 calls dialed from IP-based or wireless substitutes for legacy TDM landline services be directed to the same emergency center, or “public safety answering point” or PSAP that would customarily serve the caller’s location at the time the call is placed?
2. Will 911 calls dialed from IP-based or wireless substitutes for legacy TDM landline services be identified to the PSAP or other answering point with the precise address and, in the case of multi-dwelling unit (MDU) buildings, the unit number of the caller?



## **EXHIBIT J**



## **The Phone Network Transition: Lessons From Fire Island**

In October 2012 Superstorm Sandy struck the northeast United States, causing over \$60 billion in damage and over 70 deaths. The storm devastated many public utilities, leaving people without electricity, water, and phone access.

In Fire Island, NY, Verizon responded to the storm's damage by replacing its landline copper phone and DSL network with a new fixed wireless service called Voice Link. The proposed permanent switch to Voice Link prompted unprecedented consumer outcry, particularly after the New York State Public Service Commission (NYPSC) required Verizon to publicly file its Voice Link Terms of Service. As hundreds of customer complaints revealed, Voice Link does not provide its own power—as the copper network had—and is not compatible with alarm systems, medical monitoring services, fax machines, credit card machines, collect calling services, and some international calling cards. Unlike the copper network, Voice Link does not provide internet access, and Voice Link's Terms of Service disclaimed liability if 911 calls failed to go through due to network congestion.

After a barrage of consumer outrage and investigations by the NYPSC and the Federal Communications Commission (FCC), Verizon announced that it would replace its Fire Island copper network with a fiber network instead, leaving Voice Link available for those customers who choose to use it.

As more communities across the US find themselves facing the advent of new communications networks that may not have all of the capabilities and protections consumers are accustomed to on the traditional phone network, users, regulators, and carriers must remember the lessons we can learn from the events in Fire Island. The phone network transition holds great potential, but it is up to the public and their representatives in government to make sure the network continues to serve users first.

### **New Communications Technologies**

#### **Lesson 1: Customers can recognize when new services are inferior to what they had before.**

Even though Verizon originally lauded Voice Link as a next-generation technology that would provide better service for lower prices, customer outcry revealed that the real, everyday Americans using Voice Link were utterly dissatisfied with it. The comments consumers submitted to the NYPSC were clear: Fire Island residents viewed Voice Link as an inferior service that failed to meet their needs.

As a basic matter, residents found Voice Link's lower quality of service made it difficult to understand the person on the other end of the phone. Ellen Anderson wrote, "The most basic measure of any phone service is Clarity and on this measure, VoiceLink is a non-starter. Imagine all the garbled messages of your personal cell phone and multiply by a factor of 20! That is VoiceLink. People can accept a certain level of



garble and dropped calls from their cell phone as a trade-off for cellular convenience. But this is intolerable on a home phone. Imagine not being able to hear or understand emergency calls!"

Residents also complained they could not use services on Voice Link that had previously worked on the copper wireline network. Phyllis and Herbert Hildebrand wrote, "We need Life Alert systems, our home alarm system and communication with the outside world, especially in times of weather disasters such as the recent Hurricane Sandy. During that storm, which caused electrical power outages, our cell phone also failed. Our landline made it possible for us to contact our son and daughter, as well as emergency sources, should it become necessary."

Those who had been relying on the wireline network were also left without an adequate internet connection. Keith B. Stein noted that he had previously subscribed for unlimited DSL internet access service for \$30 per month, while wireless data service cost \$80 for 10 GB per month. He wrote: "Those 10 GIGs just get me and my family through a month of email, normal levels of work related internet use, and basic household internet usage.... One could easily spend hundreds of dollars or more per month, at Verizon's rates, in order to regain the amount of data we previously had pre-Sandy."

Fire Island residents' response to the limitations of Voice Link make it clear that customers are paying attention when carriers transition their networks, and customers know when new "next generation" networks don't actually serve all of their needs as well as the previous networks did. Americans relying on the phone service they've used for decades have a right to expect a communications network as good, or better, than what they had before the transition.

## **Lesson 2: New, untested services can have serious problems.**

When Verizon first rolled out Voice Link to Fire Island, Verizon was eager to tell subscribers that Voice Link offers "the same 911 support" and "many of the same voice features and functions" as their old landline phones did. When Verizon did the same in New Jersey, it even sent around a mailer saying "Our technicians connect Voice Link into the telephone lines in your home, allowing you to use your home telephones to make and receive calls just like you did before" to impress upon customers how little difference they would notice between Voice Link and their landline phone service. However, as the service reached customers in the real world it became clear that Voice Link had many serious limitations that apparently had not been sufficiently examined before Verizon tried to replace landline phone service with Voice Link.

Before the summer of 2013, the NYPSC required Verizon to submit a filing that belied Verizon's frequent public pronouncements that its Voice Link service is basically the same as its former copper network service. In that filing, Verizon revealed that Voice Link service would be significantly limited compared to the wireline service Fire Island residents were used to. The following is a list of some of the limitations and problems revealed in the Voice Link Terms of Service:



- Verizon specifically stated that users should expect that 911 calls may be blocked by congestion on the network, or subjected to slower routing or processing speeds. Even if the 911 failure was caused by Verizon's negligence, Verizon limited its own liability for any resulting damage.
- The customer was responsible for maintaining power to the Voice Link device, in addition to making sure their actual phone was powered. The user was responsible for recharging the back-up batteries, or buying more commercial batteries if they had an updated Voice Link device. The Voice Link device battery would only last for 2.5 hours of talk time, and 1.5 days if left unused.
- Voice Link would not work with medical alerts or other monitoring services.
- Customers would not be able to use Voice Link for internet access, unlike the DSL offering that was available over the copper network.
- Voice Link was not compatible with fax machines, DVR services, or credit card machines, and might not be compatible with home security services.
- Voice Link customers would not be able to receive collect calls.
- Customers must buy a separate international calling plan to make international calls, and Voice Link won't allow customers to use calling cards to make international calls.
- Voice Link did not allow customers to make 500, 700, 900, 950, 976, 0, 00, 01, 0+, calling card or dial-around calls.
- Voice Link required 10-digit dialing, so users would need to dial an area code even when making a local call.

One common theme among all of these new limits on Verizon's Fire Island voice service was that Voice Link's failings all hit the most vulnerable the hardest. Users trying to reach 911, customers with no electricity, sick or elderly patients using medical alerts, subscribers with families living abroad, and the loved ones of prisoners making collect calls would all feel the consequences of Verizon's experiments the most.

### **Lesson 3: Supposedly “outdated” technologies can still have a significant number of people depending on them.**

It is also important not to dismiss the value of pre-existing technologies simply because the percentage of the population depending on them is below some arbitrary threshold of importance. A minority of the population uses wireline phone service to support their Life Alerts, but that percentage will fight for Life Alert support as if their lives depend on it—because they do. And while the percentage of the population solely using landline phone service for their communications has decreased, those users have stuck with the copper network precisely because it offers benefits to them they can't find anywhere else.

The public outcry against Voice Link in Fire Island showed that the consumers who still use copper-based services think that copper-based services still matter. There is a “long tail” of services from Life Alerts to calling cards to security systems that many people use. No one of these may have a lot of customers, but when you add them all up it translates into millions of people depending on copper who will be left out in the cold—and outraged about it—if the replacement service does not do the same thing, especially when they are forced to migrate rather than given an option.



The fact that a service is newer does not in itself mean that service is better in all respects than the preceding technology. Fire Island's experience reminded us all that fixed wireless services can vary significantly in reliability, quality of service, and supported features if regulators do not take active steps to make consumers whole. This is not to say that new technologies can't be upgraded to serve those same needs, but we cannot assume that we can simply force entire populations to convert to new technologies without understanding why and how those users depend on the existing infrastructure.

### **Transitioning to New Services**

#### **Lesson 4: Do not use natural disaster victims as guinea pigs for a new type of communications network.**

Post-Sandy Fire Island was the first time and place Verizon decided to use Voice Link to completely replace the copper network. No one had any information about whether Voice Link was robust enough to be the only option for basic phone service, or any real-world information for how customers would respond to Voice Link when they suddenly had no choice to use a wireline option instead.

To make matters worse, Voice Link was imposed on Fire Island residents while the community was still recovering from a devastating natural disaster. When residents are rebuilding or repairing their homes and local businesses are deciding whether it is worth it to rebuild their presence in a community, reliable access to voice and internet services is a prerequisite for a strong recovery.

#### **Lesson 5: Forcing conversion to new services upsets consumers.**

When a carrier unilaterally decides to retire an existing service and replace it with a new one, customers are cut out of the decision-making process completely. No one likes feeling abandoned and having no other option but to take a new service, especially when that service is the platform for their business, personal, and emergency communications.

The fact that some users have voluntarily switched to new services or added new services onto their existing ones does not mean that the customers who have chosen to remain on the existing service simply forgot to switch over. A forced migration makes all users accept the new service, regardless of whether that service actually meets their needs.

As explained above, forcing people off of the copper network impacts their ability to reliably access services like health monitoring or 911, in addition to affecting their access to other features like credit card processing, security alarms, and fax machines. The best way to transition these customers onto a new network is to offer them compelling solutions that continue to serve the same needs as the previous network, not forcing customers to migrate to new services without knowing whether their needs will be met on the new network.



## **Lesson 6: Carriers need guidance on how to repair or replace their networks after natural disasters.**

Part of the difficulty for Verizon's Voice Link deployment in Fire Island was the dearth of guidance for a carrier seeking to replace a damaged network with a new service instead of repairing the existing infrastructure after a natural disaster. It was—and still is—unclear what a carrier's obligations are when it seeks to rebuild after a disaster. This is why Public Knowledge and 18 other public interest organizations have filed a letter<sup>1</sup> with the FCC asking the FCC to start a proceeding to provide this guidance, so that all carriers—and more importantly, all Americans—know what to expect when rebuilding their communities.

Even as Fire Island moves on, many questions remain for the next community to face this situation. When a disaster strikes, when must a carrier notify customers of its plans for the network? How should it contact them? When should it notify the relevant state and federal agencies? How should a carrier and the agencies determine whether a new service is an adequate replacement for the traditional network? When and how should actual consumers be involved in the decision-making process? If the new service can't replicate the features of the old network, how should users be made whole?

### **The Role of Regulators**

## **Lesson 7: Both federal *and* state agencies need to be able to protect consumers.**

It is important to acknowledge that without the NYPSC and the FCC providing regulatory oversight, nothing would have stopped Verizon from rolling out whatever service they thought “good enough” for a local community with no other provider, regardless of what the customers wanted or needed.

The NYPSC proved critical in making Verizon disclose more details about Voice Link publicly and in establishing that Voice Link would not become a permanent solution unless it could demonstrate to the NYPSC that it would serve residents' needs. The NYPSC also collected hundreds of public comments in which real customers described the ways that Voice Link failed to meet their needs and did not live up to their expectations compared to the copper network.

Importantly, the NYPSC could not have played such an important role if New York had deregulated its treatment of phone services, as many states already have. If the NYPSC had been hamstrung by deregulatory legislation, it never could have opened an inquiry that provided a platform for outraged citizens, which eventually caught the attention of the press. Without this pressure and the threat of enforcement, Voice Link might still be the only option for Fire Island residents.

For its part, the FCC held strong in making sure that Verizon filed an application to change its network under Section 214(a) of the Communications Act, and also opened a public docket for stakeholders to voice their

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<sup>1</sup> <http://www.publicknowledge.org/files/ConsumerHurricaneGuidanceLetter.pdf>



concerns. The FCC also rightly removed Verizon's application from the default streamlined treatment to make sure it had time to thoroughly consider the issue before the application was approved.

Without these important public forums to provide a focus for these complaints, and without the threat of regulatory backlash, no one would have any reason to believe that customers were unhappy, and Verizon could have simply forced them to take whatever it wanted to provide. Instead, people stood up for themselves and forced Verizon to respond.

### **Lesson 8: Federal and state agencies are critical in making carriers explain their plans to the public.**

In addition to collecting public comment and threatening enforcement, both the NYPSC and FCC helped the public understand what was going on by requiring Verizon to submit information about its service. This was critically important at a time when Verizon would only give the press vague promises of how great Voice Link would be, and would generally assure customers that Voice Link would mostly be the same as copper-based phone service without actually explaining all of the differences.

When the NYPSC required Verizon to submit its Voice Link Terms of Service and explicitly list the limitations of Voice Link, the public was able to understand the full implications of Voice Link's problems for the first time. Similarly, the FCC's procedures for confidential information allowed members of the public to sign protective orders to gain access to more detailed information about Voice Link and how it was selected and deployed.

Without the NYPSC and FCC, the public may never have obtained access to this level of information, which would have hobbled their ability to make well-supported arguments against the forced conversion to Voice Link.

### **Lesson 9: Customers can make a difference when they speak out to their governments.**

Perhaps the key event that led to Verizon's decision to deploy fiber in addition to Voice Link was the tremendous outcry from Fire Island residents. Users numbering in the hundreds filed complaints before the NYPSC and FCC, which helped change the tide against the forced conversion to Voice Link. When consumer advocates joined the fight on the state or federal level, they could point to and pull from those complaints to show policymakers exactly how serious the limitations of Voice Link were.

However, currently in many states people do not have recourse at the state level for this kind of problem, so their only hope would be at the federal level. Users living in deregulated states should actively engage their federal legislators for protections and ask their state legislators to reinstate the protections they voted away. Customers in states considering deregulation should be active against such actions.



## **EXHIBIT K**



STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE  
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350  
[www.dps.ny.gov](http://www.dps.ny.gov)

PUBLIC SERVICE COMMISSION

GARRY A. BROWN

*Chairman*

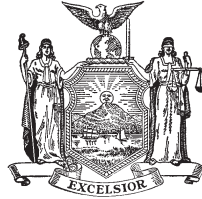
PATRICIA L. ACAMPORA

GREGG C. SAYRE

DIANE X. BURMAN

AUDREY ZIBELMAN

*Commissioners*



PETER McGOWAN

*General Counsel*

KATHLEEN H. BURGESS

*Secretary*

Re: Case 13-C-0197

Temporary Use of Verizon's Voice Link Service on Fire Island – August 24, 2013

**\*\* Please note this is a Preliminary transcript, subject to later edits when reviewed by the  
Administrative Law Judges assigned to the cases.**

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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Case 13-C-0197 - Tariff filing by Verizon New York Inc. to introduce language under which Verizon could discontinue its current wire line service offerings in a specified area and instead offer a wireless service as its sole service offering in the area.

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SATURDAY, AUGUST 24, 2013  
1:00 p.m.

Ocean Beach Community House  
157-164 Bay Walk  
Ocean Beach, New York 11770

COMMISSIONERS:

PATRICIA ACAMPORA

ADMINISTRATIVE LAW JUDGES:

MICHELLE L. PHILLIPS

INDEX

W I T N E S S E S

<u>PETITIONER:</u>			RE	RE	V.	
<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>D.</u>	<u>J</u>

<u>RESPONDENT:</u>			RE	RE	V.	
<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>D.</u>	<u>J</u>

E X H I B I T S

<u>PETITIONER:</u>			
<u>IDENTIFICATION</u>	<u>DESCRIPTION</u>	<u>I.D.</u>	<u>IN EV.</u>

<u>RESPONDENT:</u>			
<u>IDENTIFICATION</u>	<u>DESCRIPTION</u>	<u>I.D.</u>	<u>IN EV.</u>

1 ALJ MICHELLE PHILLIPS: Perfect. So I have  
2 exactly 1:00. So I'm going to take this out. I just  
3 need to do the formal piece and then we'll get right  
4 moving. We're going on the record. Good.

5 These hearings are being held to take public  
6 comments in case 13-Z-0197 tariff filing by Verizon  
7 New York to introduce language under which they could  
8 discontinue current wire line service offering in  
9 specified areas and instead offer a wireless service.

10 My name is Michelle Phillips I'm an  
11 Administrative Law Judge at the New York State  
12 Department of Public Service. With me is  
13 Commissioner Pat Acampora. She is one of five  
14 members of the New York State Public Service  
15 Commission. We talked just briefly--I'm going to go  
16 a little off script--about the difference between the  
17 department and the commission. I think it's  
18 important that you know that the commissioners are  
19 the ones that actually make determinations. The  
20 department staff go out, do investigations, and we  
21 make recommendations to the commissioners but the  
22 commissioners are the ultimate decision makers.

23 This is a public statement hearing that's  
24 been scheduled by the Public Service Commission for  
25 the purpose of receiving your evaluation of Verizon's

1 Voice Link service on Fire Island during the summer  
2 months. These comments are going to be used when the  
3 commission has to make its determination about how to  
4 respond to Verizon's tariff filing. We're going to  
5 be recording these. There will be a public record  
6 that is created and it will be in the public record  
7 on our document management system. This session was  
8 noticed on August 7th, 2013, and a press release was  
9 also released August 9th. I've already indicated  
10 they'll be transcribed. They're going to be part of  
11 the public records. I just want to remind you if you  
12 don't want to speak publicly there are numerous other  
13 ways that you can comment, writing, email, telephone.  
14 Information about that has already been provided.  
15 You can ask at the back table if you don't remember  
16 how to do that.

17 For the purpose of making a statement here,  
18 what we ask is that you fill out one of these cards  
19 that you can get in the back. I already have a stack  
20 of cards. I haven't even looked at how many, but I  
21 have quite a few. So I just would like to ask if  
22 people could kind of keep moving so that we can get  
23 to everyone who has come here today. I'd really,  
24 really appreciate that.

25 Again, because we are recording it, please

1 use the microphone. That's the only way we are going  
2 to capture your statement accurately. If you could  
3 also silence any electronic devises that would be  
4 appreciated. Very quickly, before we start with the  
5 speakers, I do want to allow Commissioner Acampora to  
6 speak because she wants to speak to you as well.

7 COMMISSIONER PATRICIA ACAMPORA: Good  
8 afternoon everyone. As the Judge had stated, there  
9 are five commissioners that make of the commission  
10 and as the only Long Islander I felt that it was very  
11 important to come here today to listen to your  
12 remarks. I will not be making further remarks or I  
13 will not be answering questions because in my role as  
14 a commissioner I serve in quasi-judicial capacity.  
15 So that any comments I might say I do not want to  
16 prejudice the record, but I can assure you that I  
17 will be here taking copious notes and I will probably  
18 have writer's cramp by the end of this one, and that  
19 I will make sure that I relay your concerns to the  
20 other commissioners so that they are aware that I was  
21 here, I was present. And what I relay to them is  
22 what I feel they need to know that they might not be  
23 reading when they read a lot of this material.

24 So I look forward to listening to all of  
25 you. And thank you all for coming out. We obviously

1 know that this is a matter that is truly concerning  
2 and that's why we did extend the record to do this  
3 during the summer time when most of the population  
4 was here and we want to hear what you have to say.  
5 Thank you.

6 [Applause]

7 ALJ PHILLIPS: As I indicated, we generally  
8 go by cards but I think we've--I think everyone's  
9 agreeable to Mr. James Betz going first. If you'd  
10 like to proceed?

11 MR. JAMES BETZ: Just basically repeating  
12 what I said before. I own Maguire's Bay Front  
13 Restaurant right over here. I'm also president of  
14 the Ocean Beach Restaurant Association, so I'm  
15 hopefully speaking for all of the restaurant owners  
16 as well but whom ever has the Voice Link service it's  
17 not really a good service for our restaurants for a  
18 few reasons which I'll state right here.

19 First off, I am not getting a busy signal on  
20 my line. Okay? They told me I could not get a busy  
21 signal on my line. And when people call up and they  
22 don't get a busy signal what they get is--what they  
23 got for the first half of the season was a Verizon  
24 message created by them that said "I'm sorry that,  
25 you know, this line is not accepting calls," which

1 says to everybody that everyone in Fire Island is out  
2 of business because of the Superstorm Sandy.

3 Second, when they fixed that or kind of  
4 fixed it they gave me a message that I could put on  
5 and the message basically says that anybody can call  
6 up. When they get a busy signal it's going to state  
7 "I'm sorry. I'm on the--I'm on my phone right now  
8 please try and call back because I'm on the phone and  
9 you're not getting a busy signal."

10 Another problem with the Voice Link system  
11 is trying to dial out to confirm reservations. I've  
12 had more no shows this year than I've ever had in the  
13 past and the reason is Voice Link does not dial out  
14 to some numbers. And I don't know what numbers they  
15 are and they couldn't give me an answer on that,  
16 whether it's--I think it has to do with area code or  
17 whatever but doesn't dial out. And again I get a  
18 message from Verizon saying "I'm sorry. We can't  
19 dial out to this number," and then I pick up my cell  
20 phone and I dial out to the number. I get the  
21 customer. Now, my cell phone is from Colorado, a  
22 Verizon--you know, a Verizon Colorado number and I  
23 get the people. So I can't dial it from my (631)583-  
24 8800 but I can dial from my 970. Okay? So that's  
25 another problem.



1                   The other problem is capacity on the  
2 weekends. I'd say 50% of my phone calls when I pick  
3 up the line when the phone is ringing I pick up the  
4 line and there's nobody there. So I'm dropping calls  
5 left and right. When I'm on the phone calling  
6 people, I get dropped phone calls. Okay. And then  
7 the sound quality on the whole system is horrible.

8                   MULTIPLE VOICES: Horrible.

9                   MR. BETZ: Horrible, and I probably speak  
10 for everybody on that one.

11                  MULTIPLE VOICES: Yes, yes.

12                  MR. BETZ: And those are my comments for  
13 Voice Link.

14                  [Applause]

15                  ALJ PHILLIPS: Thank you. The next speaker--  
16 --and actually I'll call the next two--Bob Jaffe, I  
17 hope I pronounce that correctly, and John Moran.

18                  MR. BOB JAFFE: I actually prepared a  
19 statement and--but something that you folks have  
20 indicated scares me a little bit. The gentlemen who  
21 was sitting there before said that the--that the  
22 PSC's jurisdiction over this is about voice only.  
23 Where have you been for the last 20, 30 years? Phone  
24 lines are no longer just about voice. They haven't  
25 been forever. I'm not saying the evil word

1 "internet." I'm talking about security systems,  
2 healthy monitoring, fax. This has been around  
3 forever. Why this is coming up to you guys now, it  
4 just doesn't make sense.

5 I'll go back to what I came to say. Verizon  
6 Voice Link is absolutely awful. I won't go into much  
7 of the reasons for or the--I won't go into what's  
8 actually occurring, but it starts with the quality of  
9 what you hear and what you're speaking. Verizon  
10 Voice Link is not comparable to hard wire copper.  
11 Let's stop pretending that it is. Again, health  
12 monitoring, security systems, fax, the internet, and  
13 more, all of these features are currently available  
14 with hard wire and will not be available with Voice  
15 Link.

16 Verizon's complained about the expense of  
17 infrastructure repairs resulting from Sandy. The  
18 nice lady over there in Fair Harbor mentions for  
19 three years ago, maybe four years ago, Verizon went  
20 by and changed all the cables. And then they take  
21 these splice boxes, that's where the two sets--where  
22 the two cables intersect with perhaps thousands of  
23 pairs of cable. These are lying in the sand in the  
24 water. And then Verizon comes to us here and speaks  
25 to the fact that their infrastructure is

1 deteriorating and they use Sandy an excuse. That's  
2 crazy.

3 [Applause]

4 MR. JAFFE: It seems--it seems it's a little  
5 convenient for our friends at Verizon. My hearts  
6 bleeds for them. They have to fix their wires. You  
7 left them lying in the sand.

8 Back to the PSC, did you ever--and I mention  
9 the FCC because there's a side order FCC involved in  
10 all this but the PSC obviously has the primary. Did  
11 the PSC and the FCC ever consider that a storm might  
12 someday wreak havoc on the communications in some  
13 municipality, whether it be Fire Island or another?  
14 Did the PSC ever anticipate a corporate goliath  
15 balking at making repairs after a calamitous event?

16 Please do not allow Verizon to remove our  
17 central services. We need the PSC and the FCC to get  
18 in step with 21st century communications. This is  
19 your job. Availability of reliable phone and  
20 internet serves at a fair cost is essential to  
21 competing in the 21st century. We request formally,  
22 on the record, that you permanently resend the  
23 temporary permission for Verizon to replace our hard  
24 wire copper with inferior wireless service. Thank  
25 you.

1 [Applause]

2 MR. JOHN MORAN: My name is John Moran. I'm  
3 a 35-year resident of Ocean Beach, which means that  
4 I've been paying Verizon for 35 years. Together with  
5 my friend Carl Seligson from Seaview who's in the  
6 front row, we both worked for a number of financial  
7 institutions which covered the utility industry.  
8 And, as I briefly alluded to the commissioner before  
9 this meeting and I was glad to hear someone say that  
10 in making this decision some thought will be given to  
11 the history of what's going on here, I would contend  
12 having been in industry observer that while I've  
13 watched them put FiOS up and down my block in my  
14 Westchester suburb, I've come here to Fire Island and  
15 noticed for years that we've been getting short  
16 shrift. Talk about the ability of them saying that  
17 they're going to restore cell service to an  
18 acceptable level and go back to the kind of cell  
19 service we've been experiencing on a Sunday afternoon  
20 for years, and ask can we believe that Verizon is  
21 actually going to somehow miraculously now produce a  
22 service which gives an acceptable level of service.  
23 I mean to just make a simple utility  
24 parallel, if LIPA was coming to you today and saying  
25 they didn't need to provide electricity for peak

1 demand, you would tell them where to go. Verizon  
2 doesn't seem to have the idea that they need to  
3 provide an ability to have service that meets today's  
4 needs, and that also can meet the capacity of demand  
5 that comes here. We have DSL service and we may only  
6 be part-time residents but that doesn't mean that  
7 Verizon only bills us for six months of the summer.  
8 My DSL service is X dollars for the six months it's  
9 on. It's another \$10 for the six months it's off.

10 So please, commission--I can also  
11 specifically go--I'm not so sure whether we're  
12 talking about the ancillary services at this point  
13 but clearly in terms of Voice Link I happened to be  
14 one of those people that asked to have my wire  
15 service restored on day one of the summer season and  
16 happened to get my wire service back. But my  
17 experience in dealing with everyone that has Voice  
18 Link is almost every time we got a Voice Link call we  
19 got disconnected while it was going on, and reaching  
20 a number of people on Voice Link has been virtually  
21 impossible.

22 The thing that really aggravates me though  
23 is that my Westchester suburb, which is a hilly area  
24 with water underground, could have enormous amounts  
25 of money spent by Verizon to put in FiOS, but a

1 decision was made not put FiOS into Fire Island years  
2 ago at a point where DSL is becoming like the elephant  
3 in the room. It's a service that has long since  
4 passed its usefulness and now we're begging to get  
5 service that's third class.

6 [Applause]

7 MR. MORAN: In a nut shell, I hope the  
8 commission will please, please think through this  
9 totally unreasonable request and that somehow they'll  
10 combine with the FCC in realizing that we're  
11 absolutely getting screwed by Verizon.

12 [Applause]

13 ALJ PHILLIPS: Okay. I want to thank the  
14 first two speakers. I'm going to call the next  
15 three. Daryl Van Valkenburg, Judith Steinman, and Mo  
16 Masson, if you could please come to the podium. So  
17 again that's Daryl Van Valkenburg, Judith Steinman,  
18 and Moe Mason.

19 MR. DARYL VAN VALKENBURG: Okay. Well, my  
20 name is Daryl Van Valkenburg. I've been coming out  
21 to Fire Island since 1975. Daryl Van Valkenburg,  
22 I've been coming to Fire Island since 1975, had phone  
23 service that whole time and our practice was never to  
24 shut the phone service off in the winter. So we've  
25 been paying for 12 months a year for all those years.

1                   We had phone service at the beginning of the  
2                   year for about I think four, six weeks. Then we lost  
3                   phone service. I called repair, they said they'd  
4                   come repair it but they never showed up. I called  
5                   again when they didn't show up and they said that  
6                   they would come again and repair it. They called to  
7                   confirm that they were going to repair it and never  
8                   showed up.

9                   By accident, I found out that the problem  
10                  was that the line from the--that came down the walk  
11                  was severed. So I called them again and I told them  
12                  that this is not like a complicated wire buried in  
13                  the ground, this is just a five minute job with  
14                  somebody with a latter. So they confirmed the  
15                  appointment again and said they would show up but  
16                  they didn't show up.

17                 Finally, I called again and every time--I  
18                 called three or four times after that and every time  
19                 I called I got shot right straight to the Voice Link  
20                 sale service and they tried to sell me Voice Link.  
21                 You know, I didn't want Voice Link I told them  
22                 there's a very simple job just repair this. They  
23                 said "We are not going to repair that." So  
24                 eventually my wife called to complain to the PSC and  
25                 the PSC took the information. We got a call from

1 Verizon saying, "Why did you complain?"

2 [Laughter]

3 MR. VAN VALKENBURG: And my wife said "Well,  
4 because we've--we lost our phone service. It's my  
5 husband--I see the wires torn apart, you know, coming  
6 down the walk. It's a five minute job and you  
7 wouldn't repair it." And she said "Well, we aren't  
8 going to repair that," and she tried to sell us Voice  
9 Link.

10 [Laughter]

11 MR. VAN VALKENBURG: So I heard someone say  
12 earlier that I think that this storm has just been an  
13 excuse, and that's the way I took it. They just want  
14 to sell you Voice Link, which we don't want.

15 [Applause]

16 MR. VAN VALKENBURG: I told them I already  
17 have a wireless service, so I really don't need to  
18 duplicate that with another wireless service. So  
19 that's my...

20 [Applause]

21 MS. JUDY STEINMAN: Definitely not made for  
22 short people. My name is Judy Steinman. I've been  
23 an Ocean Beach resident for about 30--for about 30  
24 years.

25 ALJ PHILLIPS: [Interposing] You might need



1 to hold it in your hand because it...

2 MS. STEINMAN: Okay. I don't want to rehash  
3 what everybody else has said. I have the same  
4 horrible complaints about Voice Link. The voice  
5 quality is terrible. You dial and you get a busy  
6 signal, and you dial again and you get another busy  
7 signal, and you dial again and maybe the third time  
8 your call goes through. Or maybe you get a recording  
9 that says, "Verizon wireless cannot complete this  
10 call as dialed," all kinds of strange message do you  
11 get with Voice Link. Calls are dropped frequently.  
12 I've about stopped using Voice Link for outgoing  
13 calls. I almost always use my cell phone because  
14 people mostly can't understand what I'm saying.  
15 Usually that's not a problem when I speak.

16 A couple of other observations. I wonder,  
17 for example, whether Verizon, which claims it's  
18 losing money on the storm and therefore can't afford  
19 to do anything about our infrastructure, didn't  
20 collect money from FEMA to repair its facilities.  
21 And I wonder whether also they didn't collect money  
22 on some insurance policy on their facilities. I  
23 don't know what the answer to those questions is but  
24 I wonder whether a prudent, large corporation doesn't  
25 in some way ensure itself against a major catastrophe

1           such as we saw with Superstorm Sandy.

2                       I also want to posit that I think we've been  
3           the object or subject, if you will, of a major  
4           experiment by Verizon. I don't think they had any  
5           idea what the outcome was going to be. I think they  
6           had three hypotheses which they tested. One was that  
7           they could provide us with good phone service. The  
8           second one was that they could provide us with  
9           reliable replacement for what we had. And the third  
10          one is was that they could provide us with an  
11          affordable replacement for what we had. Well, I've  
12          got to conclude that these three hypotheses had been  
13          disproven.

14                       [Applause]

15                      MS. STEINMAN: The quality of the voice  
16           service is terrible. The service we get on the  
17           telephone is unreliable. It's inferior to what we  
18           had before. We were promised that there's a battery  
19           pack in Voice Link that will power it when the  
20           electricity goes out. Well, I don't know. How many  
21           of you experienced the power outage a few weeks ago?  
22           We here in Ocean Beach had no power about 10:30,  
23           11:00 at night. There was propane emergency in this  
24           village. The fire department turned off all the  
25           electricity in Ocean Beach. And guess what else went

1 off with the electricity?

2 [Applause]

3 MS. STEINMAN: I, as many of my neighbors,  
4 am a senior citizen. I live alone. I depend on  
5 being able to contact emergency services, medical  
6 services, fire, police. If I can't get them because  
7 Voice Link doesn't work in a power outage, as we know  
8 happened on Fire Island, what good is it to me?

9 And also we have found that the internet  
10 alternatives provided to our former DSL services are  
11 much more expensive than anything that we paid for  
12 with DSL. We formally had unmetered good, reliable  
13 internet service. We no longer have that. People  
14 have patched together service using various  
15 suppliers' hot spots, and that service sometimes  
16 works well and sometimes it doesn't work well. It's  
17 much more expensive. If you want to watch a movie or  
18 download lots of data from somebody's site, it's very  
19 expensive. So I urge the PSC to absolutely deny  
20 Verizon their horrible request to replace our lined  
21 telephone service with Voice Link. It is an  
22 unmitigated catastrophe.

23 [Applause]

24 MS. MARTHA MASON: My name is Martha Mason  
25 and I live in Seaview. And I don't want to repeat

1 everything that everyone else has said, but I do want  
2 to repeat something that I said Tuesday night.

3 I think that it's important in evaluating  
4 Verizon's request to consider the "where" of the  
5 request. Fire Island is a very special place,  
6 special to most of us in our hearts but mostly  
7 special in terms of its needs. We're cut off from  
8 the mainland. We have a very small--I'm one of the  
9 people who lives here year-round. We have a very  
10 small year round community that depends on reliable,  
11 intelligent phone service in order to stay. And, if  
12 we didn't stay, then when a house caught fire or when  
13 a flood happened there would be no emergency services  
14 people here to deal with it.

15 [Applause]

16 MS. MASON: So we are a valuable part of  
17 Fire Island, a necessity, and it is--and Verizon is  
18 making it more and more difficult for us to stay.  
19 The other thing I want to say is that I was shocked  
20 in this meeting to hear that Verizon is repairing  
21 copper wire were it works. My copper wire still  
22 works but I've been told not even to bother calling  
23 if it goes out. So I live in total fear. I live  
24 with my fingers crossed that it shouldn't go out.

25 And my biggest concern about going over to

1 Voice Link, aside what I hear about how the quality  
2 is not good, my biggest concern is those power  
3 outages. Again, taking Fire Island into  
4 consideration, we have more power outages more often  
5 than the mainland of Long Island or I would venture  
6 to say basically anywhere else in the state of New  
7 York. So again, even if the batteries worked which  
8 on first--the first time they were called upon to  
9 work they didn't, they work for 72 hours, I've been  
10 out here for winters were I've had no electricity for  
11 a week or longer but my phone works because its  
12 copper wired.

13 So I urge the Public Service Commission to  
14 take into account as they consider this request from  
15 Verizon, take into account the place where Verizon is  
16 requesting to put in what is clearly an inferior  
17 service. Voice Link may someday be a great service  
18 but trust me that's not today.

19 [Applause]

20 ALJ PHILLIPS: Thank you. I'm going to call  
21 the next three speakers, Larry Litoff, Irving  
22 Guberman, and Deborah Bach.

23 MR. LARRY LITOFF: Hi, my name is Larry  
24 Litoff. I'm a resident of Ocean Beach. I chose--  
25 well, although I was tried to be sold Voice Link, I

1 chose not to get it. I just wanted to reiterate what  
2 one other gentleman said. Not only was I told when I  
3 returned to Fire Island that my phone would be  
4 reconnected and that someone would be there to do it,  
5 and when I called and had not dial tone I was told  
6 that someone would be there again and nobody showed  
7 up.

8 Finally, when I spoke to Verizon and asked  
9 them to just send a tech out to check my line--my,  
10 all of my neighbors on my block had dial tone--there  
11 was no problem with my line. I was told by Verizon  
12 we're not going to send anybody, but then I got an  
13 email that my dial tone was fixed. I got all  
14 excited. I came out to Fire Island for Memorial Day  
15 weekend and I found out that that wasn't that case.  
16 Right?

17 I called the Public Service Commission and I  
18 was given a case number and I got a call from Verizon  
19 in Albany telling me they would check on it and get  
20 back to me. That was the last I heard from Verizon,  
21 the response was unbelievable bad.

22 And for many years I loved Verizon. I love  
23 my wireless service. I love my FiOS service. I was  
24 truly surprised at their response. And I understand  
25 that they are connecting copper wire now, we'll see.

1           The issue of the cost didn't seem to be a  
2           problem for Verizon to replace all of the copper wire  
3           with fiber in downtown Manhattan. I'm sure that cost  
4           a lot of money but they didn't balk about that.  
5           Right? There balking about it because we have 2,700  
6           lines. It was my understanding the Public Service  
7           Commission and the FCC requires Verizon, who is a  
8           monopoly in Fire Island, to provide service no matter  
9           what it cost. And that they're asking at this point  
10          to disconnect the service because it costs too much.

11          Seems to be they've made plenty of money  
12          these last couple of years not only residents of Fire  
13          Island but I'm sure we're being subsidized by the  
14          rest of their network. And I would like to continue  
15          to be subsidized even if it cost them too much. And  
16          I would like the Public Service Commission to tell  
17          them that because they are a monopoly on Fire Island  
18          and we can't get it from anywhere else that they have  
19          to do it.

20                 [Applause]

21           MR. IRVING GUBERMAN: My name is Irving  
22           Guberman. I live in the Fire Island summer club.  
23           I'm not going to rehash all the inadequacies of Voice  
24           Link which other speakers have so eloquently  
25           mentioned, but I want to give you my personal

1 experience.

2 On August 15th, just about a week ago, two  
3 physicians told me I should get immediate medical  
4 attention and get to a hospital without delay. My  
5 wife tried to get through on our Voice Link system  
6 for 15 minutes, dropped calls, static, you know, name  
7 it. She got through on her cell phone and I was  
8 evacuated from the island. Fortunately we have a  
9 terrific emergency response team.

10 [Applause]

11 MR. GUBERMAN: They did their job. Verizon  
12 did not do their job. That's my personal experience,  
13 and I just hope none of you have to go through 911  
14 and have only Voice Link to depend upon.

15 [Applause]

16 MS. DEBORAH BACH: My name is Deborah Bach.  
17 I live in Seaview. I've been a resident of Seaview  
18 as a renter and home owner since the '60's. Before  
19 that I was in Oakleyville where we had no phone  
20 service until the Sea Shore put in phone polls or  
21 phone lines, but that's neither here nor there.

22 What I would like to do is summarize what I  
23 said earlier prior to the public hearing, which is  
24 that we have been barraged by misinformation from  
25 Verizon. And that barrage has lead people to make



1 decisions about their phones service and to abandon  
2 it, not because it wasn't working necessarily but  
3 because they thought--we've been told it's not going  
4 to work. It may be tomorrow that it fails, it might  
5 be next week, but you can't depend on it anymore so  
6 you might as well throw it out. A number of people  
7 did that.

8 I got--when I came out and lifted my phone  
9 receiver I found a dial tone. I wasn't sure what  
10 that meant but I was guardedly optimistic. And  
11 subsequently talking to people in Ocean Beach who'd  
12 had the Voice Link experience for a while I realized  
13 that that was a hopeless technology as far as I was  
14 concerned based on the experience people were having.  
15 And so I want you to know that it is viewed as  
16 hopeless because if there is any doubt in your mind  
17 as to what you've heard so far it is a hopeless  
18 technology right now. It might improve but it's not  
19 there yet.

20 The misinformation as continued up to today  
21 and I think that the concern I have, having dealt  
22 with regulatory agencies on the city, state, and  
23 federal level during my professional life, I must say  
24 to you as regulators it is your job not to cooperate  
25 with Verizon in investigating what's going on. It's

1 your job as regulators to enforce your tariff with  
2 Verizon. And by enforcement I mean not saying, "Send  
3 us a report and let us know how you're doing." What  
4 I mean is that you have to go out into the field.  
5 You've heard enough to know that this isn't working.  
6 You have to send people into the field, technically  
7 expert, not Verizon employees, not former Verizon  
8 employees, but people from your staff. And if you  
9 need to hire independent engineers we might have a  
10 few people in the audience who could raise their  
11 arms, but I think the important thing is that you  
12 have independent engineering specialists out here on  
13 Fire Island looking at the condition that we now know  
14 exists on the island, not across the bay; and see  
15 whether in fact the condition that we've been told  
16 exists does indeed exist; and whether the repairs  
17 that are required are actually the repairs that would  
18 be required to get the copper wire back operating;  
19 and whether in fact the lady who said all you needed  
20 was a ladder--or was it a gentleman? I don't  
21 remember.

22 Whomever it was I hope that you--if they  
23 came and they didn't have their ladder you'd offer  
24 one. The people need to have the trust restored in  
25 the monopoly that Verizon has here. There's no trust

1 in Verizon at this time because we have been barraged  
2 by misinformation.

3 As a final note, I'd like to tell you about  
4 an experience I had regarding my land line. I keep  
5 my land line on local all year around and I keep on  
6 that account repair--the repair cost to keep that  
7 land line operating. And many people I think do the  
8 same, so that when you come out if something has to  
9 be repaired you've already paid for the repair.  
10 You're not going to pay \$60, \$90 dollars extra to get  
11 it repaired if indeed they were willing to come,  
12 which I hear they are not this summer.

13 So I think that the real question in my mind  
14 is what is really going on here. We know that the  
15 disrespect of the system on the island began far  
16 earlier than the Sandy storm. The lady across the  
17 room as already verified that equipment was placed in  
18 a place it should not be and that--and that that was  
19 made known. I don't know what the Public Service  
20 Commission sees as its responsibility to this  
21 community, but I believe as of today you have a big  
22 job to do and we're depending on you to do that job.

23 [Applause]

24 ALJ PHILLIPS: Thank you. The next--I'd  
25 like to call the next three speakers. Joel Stark,

1 Jane Levin, and Stephan Glacilla. Joel Stark, Jane--  
2 I know. I'm just repeating it in case anyone didn't  
3 hear me. And I hope I don't sound like I'm rushing  
4 you. I kind of am but it's only because I want to  
5 get to everyone.

6 MR. JOEL STARK: Talk fast, right?

7 ALJ PHILLIPS: I want everyone to speak.

8 MR. STARK: Talk fast.

9 ALJ PHILLIPS: No, no, no.

10 MR. STARK: Talk fast.

11 [Laughter]

12 MR. STARK: Listen, this was farce the first  
13 hour here today. You know, we had Verizon answering  
14 the things that happened last Tuesday and that's not  
15 the purpose of this hearing I assume. It's to  
16 provide PSC with information, not for Verizon to get  
17 up here and explain to us and tell us all of the good  
18 things they are presumably doing. That's not the  
19 point.

20 Okay. Look, we all need to write to the  
21 PSC, call the PSC, because they are the people making  
22 the decision. Who are the PSC? Commissioner, thanks  
23 for being here. Judge, thanks for being here. I  
24 don't know how this whole thing started but if I  
25 fantasize I'd say, "Ah, Verizon. I work for Verizon.

1 I'm for Verizon. Needless to say, I'm in the  
2 interest of my profit making Verizon and what I'm  
3 going to do is think of how we can use wireless so we  
4 don't have all this maintenance stuff to do. Now  
5 what shall I do? Ah, Fire Island, what a great  
6 community. They're only there in the summer."

7 I happen to be here seven months of the year  
8 and have been here for more than 30 years and the  
9 fact is that someone in Verizon said lets test this  
10 thing out. Apparently they decided this is a perfect  
11 place especially after Sandy because the maintenance  
12 costs here are enormous. Yes, Fire Island does not  
13 make money for Verizon, clearly, but we spend a lot.  
14 It's costing me twice as much now as it did last year  
15 and the year before, but that's irrelevant to the  
16 major issue.

17 So please, Public Service Commission, you  
18 are public service in our interest and realize that  
19 Verizon is a corporation designed to make profit. We  
20 have learned that they set up this wireless unit  
21 which is not regulated in the same way as Verizon  
22 itself is regulated and they can do whatever the hell  
23 they want. Look what's happening across this country  
24 with unions. This is the time that I hope the  
25 public, public, Public Service Commission realizes

1           their tremendous responsibility as to the issue.

2                   Voice Link is terrible. We've heard enough  
3           testament it is abominable. I can't tell you the  
4           number of calls that I've gotten that I've never got  
5           and how difficult it is.

6                   [Laughter]

7                   MR. STARK: You know, people, my cousin in  
8           Seaview three times tried to call me, no answer,  
9           Seaview. Voice Link, oh, sure, Verizon going to  
10          build bigger towers and they'll fix some of this.  
11          They'll come to your house and they'll tell you,  
12          "Yeah, we'll take care of that." I've got three  
13          calls in the past week from Verizon because I signed  
14          up last week and I heard--oh, this lady was very kind  
15          listening to all my complaints. Thank you very much  
16          but again I'm sure some of you had the same  
17          experiences. I'm over talking. Thank you, good  
18          luck.

19                  [Applause]

20                  ALJ PHILLIPS: Thank you. Oh, sorry.

21                  MS. JANE LEVIN: My name is Jane Levin.  
22          I've been coming to Ocean Beach for over 60 years.  
23          When I first came out my mother needed to make a  
24          phone call. She went down to the Western Union  
25          Office where there were pay phones and when we first

1 got a phone it was a party line. So we've been  
2 paying Verizon for a long time. The beginning of  
3 this summer, when I called Verizon to turn the phone  
4 on, I was sure that if I had a phone and--they  
5 couldn't tell me whether it was working until I took  
6 it off suspension. If I had a phone and then it  
7 stopped working there was nothing they would do about  
8 it. Well, I go out. I was lucky, I had a dial tone.  
9 It worked and it worked for July. But this month, I  
10 never know from one day to the next whether it's  
11 going to work or not.

12 Some days I--it's dead. Some days I can get  
13 a dial tone and I can dial out, but I can't receive  
14 calls. And some days it's working. Now last weekend  
15 it worked. Thursday, Friday, Saturday, Sunday it was  
16 working. It was working when I left on Monday. Well  
17 someone from--Patrick from Verizon called to try to  
18 sell me Voice Link. And I said I wouldn't take it.  
19 And I told him what I thought about Verizon. Tuesday  
20 the phone wasn't working.

21 [Laughter]

22 MS. LEVIN: And it's--came out here last  
23 night, well, it's dead. Maybe it will pick up again,  
24 maybe it won't. But anyway, I'm a senior citizen. I  
25 worry about needing the medical alert eventually. I

1 had one for my mother when she was alive. I've lost  
2 my DSL of course and the alternative is much more  
3 expensive.

4 The people who I have talked to who have  
5 Voice Link, I found the reception terrible. I have a  
6 Verizon cell phone, why do I need to pay Verizon for  
7 a second cell phone? There doesn't seem to be any  
8 point to it. Thank you.

9 [Applause]

10 MR. STEPHEN GLACILLA: Hi. A lot of you  
11 guys know who I am. My name is Steve Glacilla. I  
12 live in Ocean Bay Park. I've been a year round  
13 resident here for over 25 years. I've been here  
14 since 1973. And I'm laughing because I used to work  
15 for Western Union. Anyway, I have over 40 years in  
16 the telecommunications business and the reason I'm  
17 here today is because I represent a couple of  
18 organizations. I'm a fire district commissioner in  
19 Ocean Bay Park. I represent the Ocean Bay Park Fire  
20 Department. I'm also on the board of the Ocean Bay  
21 Park Association.

22 I also belong to an organization out here  
23 which most of you don't know about. It's called the  
24 Fire Island Law Enforcement and Safety Council, which  
25 is a group of state police, regular police, Ocean



1 Beach Police, all the EMS services and fire chiefs on  
2 Fire Island. Anyway, after that, just to give you a  
3 heads up, I think I mentioned at the last meeting  
4 with Senator Boyle that the fire departments were all  
5 off at Voice Link.

6 I think I was--I was told that a couple of  
7 them were given it without notice, but most of us  
8 turned it down; mainly because it wasn't a reliable  
9 service as far as we were concerned for life safety  
10 issues because if you can't get in touch with the  
11 fire department, who are you going to call? We  
12 handle EMS, we handle all of the helicopter landings.  
13 It's an important service to the people on the  
14 barrier beach, especially year round. And again, as  
15 you look around here, the people that are speaking  
16 are all older people. I mean we don't have any kids  
17 in here right now who rely solely on cell phones.

18 These are the people that need phone service  
19 that you can do cardiac monitoring with. We just had  
20 somebody flown off because they couldn't use a  
21 regular phone. They had Voice Link and they couldn't  
22 monitor the defibrillator they had built in. And I  
23 think the woman is going to speak about that. I  
24 can't mention who it is. Fax machines don't work.  
25 The fire departments, they're going to give us copper

1 service, the schools and your local communities like  
2 Ocean Beach's offices. If we're so important and  
3 it's so vital to have copper lines, I feel everybody  
4 should have copper lines.

5 [Applause]

6 MR. GLACILLA: Voice Link in the future may  
7 be something that will be worthwhile, in the future.  
8 It was tested in Florida. When we looked on the  
9 internet we couldn't even find any tariffs or  
10 anything about it. Their technicians were just sent  
11 to try and see if people in Florida would get it.  
12 Right now we're a test case. I know the Public  
13 Service Commission and--well, the Inspector General  
14 stopped them from putting it in upstate New York.  
15 They're trying it in New Jersey. This is a test case  
16 and once it goes through, I hate to say it, you know,  
17 we're going to have problems. Anyway, thank you.

18 [Applause]

19 ALJ PHILLIPS: Thank you. I'm going to call  
20 the next three. Louis Barash, Julie and Deborah  
21 Lokin, and Brett Roberts. Just so you know, after  
22 them it will be Roberta Harris and Judith Sandron  
23 [phonetic], but for now Louis Barash.

24 MR. LOUIS BARASH: Thank you. My name is  
25 Louis Barash. I live in Seaview. I first want to

1 say we very much appreciate the Commission coming  
2 here today on a beautiful summer's day taking the  
3 time to hear us. We almost didn't have a summer  
4 because of Sandy. If you have the time after the  
5 hearing you can take a walk to the beach and still  
6 see some of the devastation there. But through some  
7 spectacular efforts by our elected officials, by  
8 first responders and the whole community, we have had  
9 a summer. Everybody pitched in. Everybody that is  
10 but Verizon.

11 [Applause]

12 MR. BARASH: In one of the most cynical  
13 corporate maneuvers I've seen in a long career of  
14 representing corporations, Verizon promptly after  
15 Superstorm Sandy went to work repairing the Far  
16 Rockaway system, repairing the southern Manhattan  
17 system and did nothing here. It waited until spring  
18 and made a so-called emergency application for relief  
19 here, knowing full well all along it was not going to  
20 serve the Fire Island community. Then it makes an  
21 application which has zero basis in support and fact.

22 Its application claimed three things; one  
23 that damage due to Superstorm Sandy has changed the  
24 reality. Two, that repairing that damage would be  
25 unreasonable. And three, that Voice Link will serve

1 as a reasonable replacement for those--for Wyatt  
2 Service [phonetic]. None of those things is true and  
3 you've heard it here today. First, as you've heard,  
4 there were substantial complaints about copper wire  
5 service maintenance on Fire Island before the storm.

6 The Commission needs to examine whether  
7 Verizon's representations about the storm causing  
8 damage are true, if in fact part or all of that  
9 damage is a result of Verizon's failure to meet its  
10 obligation prior to the storm, then Verizon's  
11 application must fail. Secondly, the total amount of  
12 cost that Verizon, and these are Verizon's figures  
13 allegedly, that it will take to repair the system  
14 here, is \$4.15 million dollars. I do not believe, by  
15 the way, that scrutiny--that those numbers will  
16 withstand any degree of scrutiny. They are probably  
17 much smaller than that.

18 But four million dollars is a trifle to  
19 Verizon as an entity and in comparison to the cost of  
20 repairing either the Rockaways or the New York  
21 system. Finally the service that they are providing  
22 is not a replacement for its service. You've heard  
23 it here today and indeed you've heard it from  
24 Verizon's own mouth. They made very clear that  
25 Verizon is not a product designed to serve customers.

1 It is a product designed solely to meet its  
2 regulatory obligations. None of that is in the  
3 public interest.

4 Moreover, as you've heard from many people  
5 today and from complaints that have been filed  
6 online, Verizon has been continuing up until a recent  
7 hearing here in the City or a recent public forum in  
8 this town, to defy with impunity the Commission's  
9 order that it maintain where possible copper wire.  
10 That bad faith is clearly designed to increase the  
11 number of Voice Link installations and reduce the  
12 Commission's flexibility in granting appropriate  
13 relief when the time comes later this year. That  
14 defiance is bad faith and in and of itself should be  
15 sufficient for this Commission to reject Verizon's  
16 application.

17 There is no support whatsoever for their  
18 Fire Island application. Their broader application  
19 should be rejected out of hand as not subject to the  
20 emergency that it was claimed for. That should be  
21 subject to a separate hearing that both the PSC and  
22 the Federal Communications Commission is currently  
23 hearing. With respect to Fire Island and Verizon  
24 alone; Verizon cannot even meet the standards that it  
25 is set up in its own tariff. It should be summarily

1 rejected and there really shouldn't be any reason for  
2 any further debate by the Public Service Commission.  
3 We appreciate you hearing us. Thank you very much.

4 [Applause]

5 ALJ PHILLIPS: Sorry. If you could just  
6 hand it to the next speaker?

7 MS. DEBORAH LOKIN: Thank you. My name is  
8 Deborah Lokin and I live in Fair Harbor. And I  
9 started calling you guys in March about the issue and  
10 I was told that all Verizon needs to provide is a  
11 dial tone. So I think mostly everybody has a dial  
12 tone. Oh, some people don't even have a dial tone.  
13 Okay, I amend that. The point is that it's all well  
14 and good for most of us to have a dial tone, but we  
15 don't have service. We have dial tone, most of us,  
16 but we don't have service. The voice quality,  
17 everything that everybody has said is in fact true.

18 When I first came out here in March, I did  
19 speak with actual Verizon workers who said they would  
20 get over to my house. They never did. And that  
21 evolved into, "I can't fix your line. I have been  
22 told I can't fix your line." They could have fixed  
23 the line, but they were told not to. That seems  
24 wrong.

25 [Applause]

1 MS. LOKIN: The thing about having the  
2 service is that the service just needs to work. I'm  
3 not sure if everybody would be complaining as much as  
4 they are if the alternative service worked. It  
5 doesn't. And just one other thing that a fellow  
6 before me or a couple of people before me mentioned;  
7 if it is possible to hard-wire the fire departments  
8 and the schools and so on, it's possible to hard-wire  
9 everyone. That's all I have to say. Thank you.

10 [Applause]

11 MR. BRETT ROBERTS: Commissioner Acampora,  
12 Judge Phillips, thank you very much for being here  
13 today and listening to the voices of the people at  
14 Fire Island. My name is Brett Roberts. I am the  
15 Chairman of the Board of Fire Commissioners in the  
16 Fair Harbor fire district. We cover approximately  
17 600 homes in Fair Harbor, Lonelyville and Dunewood  
18 for fire and EMS service. A lot of people today have  
19 talked about the issues of how much it cost to do  
20 that--to repair the service, how much it cost to--for  
21 internet service, how much it costs for a lot of  
22 different things.

23 And, certainly, the primary reason that  
24 Verizon wants to eliminate the copper line service is  
25 because it costs them more money. But I would like

1 to talk about something which seems to be a little  
2 more important than money and that's the life safety  
3 and the safety and the health of the people that we  
4 serve in Fire Island. It's our responsibility to get  
5 to people who have a fire or an EMS emergency as  
6 quickly as I--as we can.

7 And since Fair Harbor has been doing a fire  
8 service since 1931 and EMS service for the past ten  
9 years, our response time is really terrific as far as  
10 EMS service. Before ten years ago we used to have  
11 salt air covering our three communities and the  
12 response time was as good as they can be but it  
13 wasn't as good as it is now. We can respond anywhere  
14 to someone's house, anywhere in our district between  
15 two minutes and the longest time, possibly ten  
16 minutes, maybe to--if it's a fire call. And so it's  
17 probably among the best time--response time certainly  
18 in Suffolk County and probably in the state also.

19 And so--and as anyone who is in the medical  
20 field or the EMS service knows, that the most  
21 important time to respond to someone in an EMS  
22 emergency, in a cardiac emergency is the first five  
23 minutes. And if you get to somebody in the first  
24 five minutes, you at least have a chance of bringing  
25 them back. Because as anyone knows who has taken a



1 CPR course, that is the golden time. And every  
2 minute after that, you are possibly--the possibility  
3 to brining someone back because as the people tell  
4 us, as the instructors in CPR tell us, that you're  
5 really bringing someone back from death.

6 And if we can bring somebody back, then  
7 that's the most important thing that we can possibly  
8 do. Now if someone calls on a wired line, calls 911,  
9 they pretty much get through all the time and the  
10 call is not dropped. I've been a Verizon cell phone  
11 customer as long as I've had a cell phone and I've  
12 been in Fire Island since 1994 and the cell phone  
13 service of which Voice Link is partially--is on the  
14 cell phone service uses the same infrastructure as  
15 the cell phone service, the cell phone service on--  
16 that Verizon provides on Fire Island can at the most  
17 be called "spotty."

18 So there are certainly a lot of dropped  
19 calls. And our greatest fear is that people will be  
20 calling 911 and will have a dropped call. So we  
21 can't get to someone's house 24 hours a day, 365 days  
22 a year if we don't get a call. If we don't get toned  
23 out and we don't have a chance to get to somebody,  
24 it's possible that somebody could die. And certainly  
25 since we've been doing EMS service, there is at least

1 three or four people who are alive today because we  
2 started doing EMS service ten years ago.

3 And so I would urge the Public Service  
4 Commission to put themselves in the place of someone  
5 who is calling up for someone in your family 911 and  
6 possibly getting a dropped call so that you can't  
7 call 911 before the 911 operator gets all the proper  
8 information so that they can alert what in Suffolk  
9 County is called "Fire com" [phonetic] and get the  
10 fire departments or the EMS services toned out so  
11 that they can respond promptly. And, you know,  
12 certainly most of our calls aren't life threatening  
13 but we do get some life threatening calls. There is  
14 some in Fair Harbor and Duneville [phonetic] and  
15 Lonelyville. There's probably a lot more in Ocean  
16 Beach.

17 And we would urge you to put yourselves in  
18 our position and not to think about the money that  
19 Verizon is saving by switching over everyone to Voice  
20 Link and realizing that, you know, we are on a  
21 somewhat isolated island and we need the best  
22 possible service. And, you know, maybe sometime in  
23 the future, you know, there will be a technology  
24 where it will be completely automated and there won't  
25 be any dropped calls in the self-service, but that

1 time is not now.

2 So thank you very much for your  
3 consideration. Please reject Verizon's application.  
4 Thank you.

5 [Applause]

6 ALJ PHILLIPS: Thank you. I just want to do  
7 a time check. It's almost 2:00. We're moving  
8 quickly, but I just want to remind people that I want  
9 everyone to be able to speak and I have 50 cards and  
10 we're now at 16. So Roberta Harris, Judith Sandgren,  
11 Carl Seligson, and Phil Boyle.

12 MS. ROBERTA HARRIS: Hello, my name is  
13 Roberta Harris. I live in Ocean Bay Park. Much of  
14 what I have to say is a reiteration of what other  
15 people have said; no dial tone, no service, get  
16 nowhere, four people are supposed to show up, never  
17 did, ticket numbers, etcetera. So making it very  
18 quick, I am waiving my right to speak because I would  
19 like to turn my time over to Peter Greenberg who  
20 lives in Ocean Bay Park because he has a lot more  
21 interesting stuff to say than I do.

22 MR. PETER GREENBERG: I did sign up.

23 ALJ PHILLIPS: Mr. Greenberg, Mr. Greenberg,  
24 I'm sorry.

25 MR. GREENBERG: I was happy to wait my turn.

1 ALJ PHILLIPS: I know. Can--so can we do  
2 that please?

3 MR. GREENBERG: Sure, absolutely. I--

4 ALJ PHILLIPS: [Interposing] It also helps  
5 with the court reporter.

6 MS. JUDITH SANDGREN: I'm going to be short.  
7 I can't sit through this anymore. My name is Judy  
8 Sandgren. I can tell you how long I've been here.  
9 Can you not hear? Oh, Judy Sandgren. I've been here  
10 a long time, okay? Can you hear me? I don't know  
11 how to do this. I agree with everything that has  
12 been said and I won't repeat it. When I went to the  
13 Verizon meeting, whenever it was, recently I said I  
14 had a dial tone but since I had disconnected my DSL  
15 service I was out--sorry out of luck. And since then  
16 Verizon has called me and said they would try to  
17 reinstate it because I probably could get it.

18 My concern is that I have spent \$700 at  
19 least on alternate technology which is the jet pack,  
20 a fancy cell phone which had, you know, which works  
21 when it's during the week but not on the weekend  
22 because there's too much use. If they do reconnect  
23 my DSL, I want some financial consideration. Number  
24 one, I don't want to pay more than I used to pay,  
25 which was \$29.99 a month for the DSL. And I had a

1 minimal voice service. And I want some consideration  
2 for the at least \$700 I have already outlaid because  
3 of what they have caused me to do.

4 So that's--I don't know if that's a Public  
5 Service Commission prerogative or the FCC, but  
6 somebody needs to look at if they do reinstate our  
7 DSL that it become affordable again.

8 [Applause]

9 MR. CARL SELIGSON: Good afternoon Judge,  
10 Commissioner. My name is Carl Seligson. I am an  
11 almost life-long resident of Sea View, thanks to my  
12 parents who bought the house in 1945. So I've been  
13 here 68 summers. I'm not here in the wintertime and  
14 I applaud those, particularly the members of the  
15 Ocean Beach Fire Department who are here in the  
16 wintertime and who protect us all if they're called  
17 upon to do so. I've heard most of what everything  
18 has been said both at Tuesday night's meeting and  
19 today's meeting. And I don't have any experience  
20 with Voice Link because I never let it be put on.

21 I have suspended my wire line service last  
22 fall, having been fortunate enough to leave before  
23 Sandy. And I had it scheduled for reinstallation on  
24 April 15th which is the day that I normally come  
25 back. The service supposedly was turned on. When I

1 got here, I had a dial tone. My experience with that  
2 was not particularly good, because while I could make  
3 outgoing calls, incoming calls rang one time and then  
4 were disconnected.

5 And when I reached the party or if I--if the  
6 party tried to reach me subsequently by cell phone or  
7 other means, it turned out that they got a recording  
8 saying that my phone was out of service. I  
9 complained; the same story everybody has. No one--  
10 they gave me a date somebody would be there. I was  
11 there all day long, 24 hours. They didn't come. I  
12 called up and said what happened and they said, "Oh,  
13 someone cancelled." I said, "Who cancelled?" "We  
14 don't know." "Someone cancelled my appointment.  
15 Give me another appointment." "No, we're not giving  
16 any service appointments." So that's a common  
17 complaint.

18 Let me tell you a little bit about my  
19 personal background, because it does relate to Public  
20 Service Commission processes; not necessarily New  
21 York but including New York. I have appeared as an  
22 expert financial witness in 18 different states  
23 throughout my career, including New York State. I  
24 have also served as a consultant to the Edison  
25 Electric Institute during a period of time for six

1 years where they were having forum--fora I guess is  
2 the plural for Public Service Commissioner's staff to  
3 explain financial matters--and I was a great  
4 participant in that both as an organizer and as a  
5 speaker at those fora.

6 So that gives you a little bit of a  
7 qualification thing. I recently had occasion to find  
8 out that there was a presentation given by a Randy or  
9 his full name is Randall Milch, M-I-L-C-H, who is the  
10 Executive Vice President of Verizon on public policy  
11 and I guess it's government relations, if I can read  
12 this. And general counsel, excuse me. Executive  
13 Vice President of public policy and general counsel.  
14 Mr. Milch gave a presentation in Aspen, Colorado  
15 recently to a group called the...excuse me, well  
16 whatever it's called.

17 It was--the subject matter was creative  
18 destruction. Now think about just that terminology,  
19 "creative destruction." Basically what he was saying  
20 was that we are in a new era. Everything has changed  
21 over the years and continues to change, internet,  
22 bah, bah, bah services, and what we're looking to do--  
23 and I think this speech should have been given to  
24 shareholders, but maybe it will be, that what they're  
25 looking to do is to move to keep up with things that

1 are modern and move away from things that aren't.

2 When we first came to Fire Island, I too had  
3 the situation of coming down here to use a payphone.  
4 Then we had a party line. Then we got an individual  
5 line and now we have no line. So that kind of all  
6 moves around. I was subject last Thursday to a  
7 telephone, which was only two days ago, to a  
8 telephone call from Verizon telling me that because I  
9 had wire line service from my phone I now was  
10 potentially qualified for DSL which I had tried to  
11 reinstitute back in April and they told me no, they  
12 weren't performing that service.

13 So I think that again that is a common  
14 complaint by a lot of people. I think a lot of good  
15 points have been made today by various people. I'm  
16 not going to bore you with all of them. You probably  
17 know what they are. But you've all got something,  
18 otherwise you wouldn't be here. I don't see anybody  
19 getting up and I'm going to stay to the end. But I  
20 want to know if there's anybody here who is going to  
21 get up and tell them that Voice Link is a great  
22 service? A good service? A fair service? Nobody is  
23 here to say that--anything good about Voice Link.  
24 And I think that's an important point.

25 [Applause]



1 MR. SELIGSON: I understand that--Verizon's  
2 point of view, as a shareholder representative while  
3 I was in Wall Street first as a security analyst and  
4 then as an investment banker covering the electric  
5 utility as John Moran said on covering the utility  
6 industry. I knew the shareholder's side--

7 ALJ PHILLIPS: [Interposing] I'm sorry, Mr.  
8 Seligson, can you--

9 MR. SELIGSON: [Interposing] I can try.

10 ALJ PHILLIPS: --kind of wrap it up?

11 MR. SELIGSON: Oh, sure.

12 ALJ PHILLIPS: Please, thank you.

13 MR. SELIGSON: I understand the shareholder  
14 point of view and the company's point of view is  
15 directed directly to shareholders and not to  
16 subscribers and people who take their services.  
17 Thank you.

18 [Applause]

19 SENATOR PHIL BOYLE: My name is Phil Boyle.  
20 I'm the State Senator representing the western part  
21 of Fire Island. I'd like to--

22 [Applause]

23 SENATOR BOYLE: I will be brief to allow the  
24 residents and business owners to speak. I just want  
25 to thank Your Honor, Commissioner Acampora, my former

1 colleague in the Assembly, thanks for coming, the PSC  
2 staff and the department staff for holding not only  
3 this hearing but also to--for extending the comment  
4 period to allow more of us to have our say about  
5 Voice Link technology.

6 Fire Islanders are a hearty crew. They live  
7 and work on a barrier island. But part of that is  
8 make everyone knowing that communications is key.  
9 Whatever they do in life, communications is key. I  
10 speak very proudly as the only active volunteer  
11 firefighter in the New York State legislature. As  
12 the Commissioner said, the Chief said minutes mean  
13 lives out here, both emergency medical services but  
14 also in fires. The houses on Fire Island are pretty  
15 close together. There is brush in between them and  
16 the wind blows. The fires spread very quickly when  
17 they start.

18 I urge you to consider that because the  
19 worst possible thing is the first respondents here do  
20 a great job when they get the call, but they have to  
21 get the call to be there in a hurry, to put out the  
22 fire or save the life. I'll just end with saying  
23 that it's been a long time since I was in law school,  
24 but I remember the Latin phrase "Res ipsa loquiter."  
25 It means the thing speaks for itself. A couple of

1           Tuesdays ago I had a hearing here, a forum on Voice  
2           Link and it was packed.

3                   Today on a Saturday in August, one of the  
4           last beautiful Saturdays in August, this room is  
5           again packed. We're not talking about a couple of  
6           people saying, "I have trouble with this new  
7           technology." Many people on Fire Island, business  
8           owners and residents have trouble with this new  
9           technology. Common sense dictates you do not test a  
10          new technology on a barrier island. I urge you not  
11          to let Verizon do it.

12                   [Applause]

13                   ALJ PHILLIPS: Thank you. The next three  
14          speakers are Peter Greenberg, Bill Vitiello, Dave  
15          Lipsy, and I'll add Liv Hemper and Marina Helfst.

16                   MR. PETER GREENBERG: My name is Peter  
17          Greenberg and I want to thank the Senator for your  
18          services as a volunteer fireman. I am also a  
19          volunteer fireman with Ocean Bay Park. And I've  
20          actually been coming to Fire Island for 63 years.  
21          When we started with--everybody talked about the  
22          party line before. Let me tell you my party line  
23          experience. 1956, yes I remember Hurricane Carol.  
24          Every power line on this island was down. We had a  
25          party line; the phone worked. The phone worked.

1 I wear three hats here; one of course being  
2 a long time resident, one being a volunteer fireman  
3 in which I don't have to reiterate the need for  
4 adequate and quick response time. I think I can  
5 speak for at least my fire chief when we tell you  
6 that we are very concerned when a call comes in when  
7 it gets misdirected because they don't know where  
8 it's coming from and they cannot allocate the  
9 resources fast enough. And last but not least, I am  
10 a correspondent for CBS news.

11 I am not here in that capacity today. I am  
12 not covering that story today. That would be a  
13 conflict of interest for me, but I'm always on the  
14 lookout for a good story. This is not a good story;  
15 this is an important story. And many, many years ago  
16 we put an ISDN line in at my house because I work  
17 from my house here. I broadcast from my house here,  
18 so now I have an occupational reason as well.  
19 Verizon is denying my ability to broadcast. And for  
20 those people in this room who know me, you know that  
21 when I'm denied my ability to broadcast I tend to  
22 broadcast a little louder.

23 That's not a threat; it's what I do for a  
24 living. Again, I'm not representing CBS here today.  
25 I'm representing myself; however it's an occupational

1 example of how this is affecting me. And last but  
2 not least I noticed in your presentation that the PSC  
3 is asking Verizon to essentially evaluate its own  
4 service. This is absurd. That's like asking Boeing  
5 to build a plane and tell you it's safe.

6 [Laughter]

7 MR. GREENBERG: I'm sorry. The evaluation  
8 needs to be independent and based on what I've heard  
9 today, I think you've heard the evaluation. Thank  
10 you very much.

11 [Applause]

12 MR. BILL VITIELLO: Thank you for arranging  
13 the hearing. My name is Bill Vitiello. I'm a  
14 cottage owner at Point O'Woods and I work from my  
15 home five to six months a year. I'm a Verizon  
16 shareholder. I'm a co-founder of a telecom firm in  
17 the nineties that supported 5,800--that's okay. I'll  
18 wait.

19 [Pause]

20 MR. VITIELLO: I'm a Verizon shareholder and  
21 a co-founder of a telecom firm that supported 5,800  
22 small and medium-sized businesses on behalf of Nynex  
23 [phonetic]. Prior to Sandy, I had two phone lines  
24 and DSL service. With ten months to restore phone  
25 service, Point O'Woods is the only community today

1           that does not have a single copper pair in service.  
2           Despite claims to the contrary, not even our fire  
3           department has been restored. Our field is used more  
4           commonly than any other field for air rescue.

5                   Our first responders don't have  
6           communications that they can rely on, but yet  
7           helicopters are landing in the middle of the night,  
8           mostly on weekends, and we don't have any  
9           communication services; this despite the fact that a  
10          fiber line is still intact running through our  
11          community. To make this brief, I will put it into  
12          three categories; what is known publicly, what we've  
13          been told by Verizon executives, and what the reality  
14          of the situation is.

15                   Publicly we know Verizon landline business  
16          has been for sale for years, two to three years at  
17          least. The land line business is union and the  
18          wireless business is not. They are two separate  
19          companies.

20                   [Applause]

21                   MR. VITIELLO: The third, public  
22          information, this should not come as a surprise to  
23          anybody. Verizon would prefer that the PSC oversight  
24          go away, as it is on the wireless side. So let's  
25          talk about some realities and some things that have

1 happened. The first few months we were given repair  
2 appointments like everybody said. And we were told  
3 the network was damaged beyond repair. There's a  
4 couple of key statements that keep resonating over  
5 and over and over again. And if you hear them enough  
6 times, you start to believe that they are true.

7 If you speak to the technicians, as we  
8 believe your obligation is to really dig down and  
9 find the facts; they did more splicing after Irene  
10 than what was needed to repair our network after  
11 Sandy. Verizon is a world-class carrier. I am proud  
12 to be a shareholder. I was proud to work with them.  
13 I've never been more disappointed. If they wanted to  
14 repair us, we would have been repaired in one week.  
15 After 9/11, the stock exchange, which was totally  
16 destroyed, was put back in business in three to four  
17 days.

18 [Applause]

19 MR. VITIELLO: They sent technicians, not  
20 regulators, to address the problem. The lack of  
21 response and not allowing the techs on the Island to  
22 do what they were trained to do, wanted to do, begged  
23 to do, and were fired for doing without approval,  
24 okay? Which was later cast as "the man had sandals  
25 on," okay, what really happened was Verizon sees the

1 opportunity to advance and accelerate plans that had  
2 been in the works for years. They want to go to a  
3 wireless solution. As a shareholder I want the extra  
4 profit. As a customer I want them to be responsible.

5 As the PSC, I believe you have an obligation  
6 to make sure that they do it responsibly and give us  
7 comparable service, which really should be talked  
8 about, comparable service. Another thing that  
9 Verizon is trying to position is, "We only have to  
10 give you voice. We don't have to give you internet."  
11 Let's talk about that for a minute. I'm not sure if  
12 everybody knows, but the techs can tell you and a lot  
13 of other people know; voice needs two copper lines or  
14 a pair to work. Both have to work or you'll have no  
15 voice conversation. That's the minimum that you have  
16 to provide, that they have to provide as a carrier of  
17 last resort.

18 If you look at DSL, it's not a separate  
19 line. DSL only needs one of those two existing pair  
20 that are served you, but yet they position it like  
21 it's internet and we don't have to give you that.  
22 It's not a separate service; it's a service carried  
23 on a voice line. It's a feature of that voice line  
24 that they are mandated to carry. It's easier to  
25 restore DSL than it is a voice line, because if one



1 of my pair is out, they can still give voice line to  
2 all of us on the other pair, if just one of those  
3 lines is working. That's the irony of the situation.

4 So it's important when you say we don't want  
5 to talk about data, we know the phone company doesn't  
6 want to talk about data. We know the phone company  
7 doesn't want to talk about the fact that I can't buy--  
8 --I am--I have 22 days left in my billing month. I am  
9 over 50 gig, okay, and they won't sell me a bigger  
10 package. It doesn't exist. They'll charge me  
11 overage charges of double as a penalty, but they  
12 haven't put the tariff in place for large volume  
13 users.

14 I used to work here; I can no longer work  
15 here. I cannot give a web-x presentation. I  
16 currently own a software company and I do web-x  
17 presentations across--around the world. I can't do  
18 it because of the latency in the internet service.  
19 So it is definitely affecting my ability to be out  
20 here in my cottage. What else were we told? We had  
21 a meeting at Scatten Arps [phonetic] where the FIA  
22 invited, begged, repeatedly requested, which took a  
23 month, okay, in May. This was months after the  
24 storm. Nobody was coming down.

25 I myself called people to say please come

1 fill the void of information with facts, not rumors.  
2 I thought it would be the right thing to do to help  
3 us. They came. Regulatory staff member informed us  
4 that they had increased the capacity on our tower by  
5 threefold. And even though they did that, they  
6 didn't need to because their prior studies, which I  
7 would respectfully ask you to verify, show that their  
8 current capacity was only going to peak out at 80%  
9 even with the 1,100 DSL customers, all the voice  
10 customers, etcetera. They had more than enough  
11 capacity to handle it. We said that was one of our  
12 main concerns; capacity.

13 On a landline you get an "all circuits are  
14 busy." On a cell switch you don't. You just get a  
15 quick busy the minute you hit the last digit. So  
16 people may not know that we're out of capacity. But  
17 if you think someone is talking on the phone, it's  
18 probably a capacity issue. Someone else said that  
19 they needed three cell towers by some previous lower  
20 ruling to triangulate. We don't have any  
21 triangulation here. Point O'Woods actually offered  
22 to put a cell tower up immediately after the storm.

23 We're a privately owned community and we did  
24 not go through--need to go through the typical public  
25 hearing and I said, "You can start building it on

1 Monday." We got the approval from the board and  
2 within 24 hours I made the offer three times. No one  
3 ever even called back to have an initial  
4 conversation. So there was no intention. What  
5 really happened was this was an opportunity to  
6 accelerate the plans. That's what people that know  
7 what's going on, they are aware of. The other  
8 misstatement that they want to tell you over and over  
9 again, and we're starting to believe it because I  
10 hear it in the comments.

11 We're only three to four months of revenue.  
12 Let's assume we were 12 months. Do you think we  
13 would even show up 3,800 customers the revenue? Even  
14 if we bought the triple play, we would not even show  
15 up as a rounding error on the balance sheet of  
16 Verizon. Yet they're waiving this as they can't  
17 afford to service us because we are only three  
18 months. Again, we fit the model. It's just that  
19 this is a train wreck. We fit the model because  
20 we'll be gone. They think we'll be gone, but we go  
21 back to our offices. We go to political fundraisers.

22 We get more exercise in the winter than we  
23 do in the summer. So this is not the end where we're  
24 going away until next year. So the revenue issue  
25 really, really bothers me.

1 ALJ PHILLIPS: I'm sorry. I just want to  
2 check in with you because it's about eight minutes in  
3 now. Is there a way to--

4 MR. VITIELLO: [Interposing] Yes, I'll be  
5 very fast.

6 ALJ PHILLIPS: --sum up?

7 MR. VITIELLO: I want to put on the record  
8 that--the issue of not being able to get it repaired  
9 because the code is there. As Tom suggested, oh  
10 maybe it was a mistake. She was not mistaken. I  
11 begged her three times, okay, to put that in. And I  
12 suggest everybody call Verizon today after the  
13 meeting and see if you get the same experience.  
14 There is no code for a repair. Okay? Now if you  
15 call a special number, those people have probably  
16 already been called to say, "Hey, take the repair  
17 order."

18 Call the main number. Call the regular  
19 number. They'll tell you if it's in the system or  
20 not, okay? They can't contact in the next two hours  
21 all of the customer service reps. This week I  
22 already mentioned the--not a larger plan, okay? What  
23 has Verizon done? If none of you have met Alicia Eve  
24 [phonetic], I suggest you speak to her. She is one  
25 of the nicest, brightest, most articulate women I

1 have met all summer. She has a Harvard MBA, Harvard  
2 JD, and as of four weeks ago was working for the  
3 governor. Now she's working for regulatory, and I  
4 wish I was on the same side of this issue with her,  
5 because she is absolutely delightful. But  
6 unfortunately she came to meet a few of us to solve  
7 our problem. When the stock exchange was down after  
8 9/11 they sent techs. They were up in three days.  
9 With all due respect, Alicia, you're not here to fix  
10 our lines, with the PSC meeting coming in two weeks,  
11 okay? So where's the engineer from Hotpot  
12 [phonetic]? Where are the techs that know how to  
13 repair the lines and how come they are not here  
14 fixing us?

15 [Pause]

16 MR. VITIELLO: We realize that. This past  
17 week, as a result of this hearing, Verizon reached  
18 out and they called every single Voice Link customer.  
19 Vandy Walker [phonetic] from Point O'Woods begged me  
20 to put her name into the record. And she said, "They  
21 called me. I started to tell them, Bill, about my  
22 problems and they said, 'Can you hear me?' And she  
23 says, 'Yes, but I want you--' she said, 'Thank you  
24 very much. Voice Link is working,'" and hung up.

25 So the report you're going to get I'm sure,

1 if you haven't gotten it already, is going to say,  
2 "We contacted 500 people and their Voice Links are  
3 working fine." That's a false statement. I would  
4 verify it. The fiber line is up and working. We  
5 know that. Why would we put copper back in the  
6 ground? Our ground is wet every full moon, every new  
7 tide. It doesn't make any sense. The lines up on  
8 the pole? They're working. That's how it should be  
9 restored.

10 I'm going to wrap up for you. Okay, so  
11 where do we go from here and what do we do? I'm  
12 wrapping, thank you. As a customer, I'm concerned  
13 that a continued resistance to full restoration will  
14 leave us with no viable operation other than formally  
15 requesting the PSC oversight of all services sold  
16 including wireless. I respectfully ask that the PSC  
17 confirm all of the facts that they are presented,  
18 because we as a community will and we will be back to  
19 the table to present them. So it will save future  
20 embarrassment. Thank you for your time and for  
21 listening. Thank you.

22 [Applause]

23 MS. LIV HEMPER: My name is Liv Hemper. I'm  
24 from Saltaire. Do you hear me? I'm going to address  
25 essentially just the Voice Link which I have

1 experienced--which I've been experienced--down?

2 Okay. Is that better?

3 ALJ PHILLIPS: You have to hold it close.

4 MS. HEMPER: This way? Is that better?

5 Okay. Okay, I'll just address the Voice Link if I  
6 can help it. Dialing out problems; so many times I  
7 dial out, especially when I dial somebody's cell  
8 phone number I keep getting interrupted at the end of  
9 the call, the dialing service, "Welcome to Verizon  
10 Wireless. Your feature update could not be  
11 completed. If you think you received this message in  
12 error, please hang up and dial again." And it said--  
13 and then it gives a message number. I don't even  
14 know what that has to do with my phone call.

15 But anyway, that three or four times, after  
16 you have tried that three or four times you are ready  
17 to give up or throw the phone out the window.  
18 That's--and another problem with dialing is you have  
19 to be speedy dialing it because if you don't do it  
20 fast enough that same message will come up again in  
21 the middle of your dial. That's number one.  
22 Incoming calls, I have people call me. They say they  
23 get--again, "Welcome to Verizon Wireless." And the  
24 person, "This--your call cannot be completed." For a  
25 whole day somebody tried me. It was important. I

1 lost it.

2 The quality of calls; they are too loud. I  
3 stand--I have to put the receiver at arm's length  
4 sometimes to be able to understand the person who is--  
5 -it sounds like he is yelling, he or she is yelling,  
6 but it is terrible. Then the quality is also  
7 metallic, it echoes and is unintelligible at times so  
8 that I have to ask again and again, "Can you please  
9 repeat? I can't understand you." That's really all,  
10 but I just want you to know I'm a senior living alone  
11 full time on Long--on Fire Island so my telephone is  
12 very important to me. I'm sure you can all  
13 understand that. This Voice Link may be good in five  
14 years, but not now. I would urge the PSC to disallow  
15 Verizon its requests. Thank you very much.

16 [Applause]

17 ALJ PHILLIPS: Okay. Again, I just want to  
18 do a quick check. Dave Lipsy, did you say you didn't  
19 want to speak? Is he still here? Okay. Okay,  
20 Marina Helfst and Angie Carpenter?

21 MS. MARINA HELFST: Hello, my name is Marina  
22 Helfst. I'm a summer resident of Saltaire. I want  
23 to echo the concerns that have already been expressed  
24 by those people who spoke before me and to introduce  
25 an issue that I don't think has been introduced



1 before; and that is the issue of safety. As we  
2 probably all know, wireless communications work  
3 through the sending of microwave radiation through  
4 the air. And here in Ocean Beach you guys have a big  
5 tower high off the ground that is doing that.

6 And Saltaire Verizon has gone ahead and  
7 installed something like 9 to 11, there is some  
8 controversy as to how many actually there are  
9 antennae. And these antennae are deployed through  
10 the village. Some of them are in very close  
11 proximity to living quarters. And I am just a  
12 citizen. I'm not an engineer. I have been doing a  
13 lot of research trying to figure out, you know, is  
14 this regulated?

15 The SEC does have guidelines and does have--  
16 sets limits for exposure to the general population to  
17 the microwave radiation that is coming out of the  
18 antennas. And when you have a high antenna like he  
19 you are apparently excluded because they are assuming  
20 you're safe. But the assumption is not so when the  
21 antennas are placed below ten meters. And all the  
22 antennas in Saltaire are below ten meters. And as  
23 far as I know, there has been no effort whatsoever to  
24 measure emissions or exposure from these antennas.

25 Just because you can't see it and you can't

1 smell it and you can't taste it, it doesn't mean it's  
2 not there. It's there; research is plentiful. There  
3 is thousands and thousands--there is volumes written  
4 on the ill effects of this radiation. Also these  
5 antennas are installed. They are distributed antenna  
6 systems and they are technology agnostic, which means  
7 that they can be used for link--Voice Link and they  
8 can be used for anything else. So they--as far as--I  
9 don't know if this is true or not, I'm not sure if  
10 they will be forthcoming with the information, but  
11 they could very easily use these antenna to boost  
12 their own wireless, Verizon wireless service.

13 Which to me seems unfair since I'm an AT&T  
14 carrier why, you know, I'm not getting any benefit  
15 from it and it seems like they are taking an unfair  
16 advantage of their already--monopoly that they have  
17 on us. And just to conclude, I really--I have a lot  
18 more to say but it's a long day, so basically I would  
19 just like to conclude that I'm formally requesting  
20 the PSC reject Verizon's request to discontinue its  
21 current wire line service. Thank you.

22 [Applause]

23 HONORABLE ANGIE CARPENTER: Good afternoon.  
24 My name is Angie Carpenter. I am a Suffolk County  
25 treasurer and the last two years have been

1 legislature and also a member of the Fire Island law  
2 enforcement and security council that was mentioned  
3 earlier. And I too am here today to publicly request  
4 that the PSC reject Verizon's request to abandon the  
5 wire line service on the west end of Fire Island and  
6 replace it with Voice Link.

7 The impact on the community of residents and  
8 the hundreds of thousands of visitors during the  
9 summer season will be devastating to many and on many  
10 fronts. To use Superstorm Sandy, an unprecedented  
11 storm which decimated sections of New York and New  
12 Jersey as an excuse to force the residents of Fire  
13 Island off traditional wire line service on to  
14 wireless is really unconscionable.

15 [Applause]

16 HONORABLE CARPENTER: You know, LIPA has  
17 been the butt of much criticism, but even LIPA had  
18 crews working all over the island and restored power  
19 to everyone within weeks. But Verizon did very, very  
20 little. It appears that this might be a strategy to  
21 force Verizon's customers away from the protection of  
22 tariff services, which holds them accountable to the  
23 PSC and off into the unregulated wireless arena. A  
24 move like this would most definitely compromise  
25 public safety and emergency services, and I think

1 we've heard that time and again today, put an undue  
2 burden on the local municipalities, and threaten to  
3 damage and undermine an already compromised quality  
4 of life to the residents and visitors and further  
5 erode the very, very fragile economic climate for the  
6 businesses on the island.

7 Again I respectfully request that you  
8 wholeheartedly reject Verizon's request to abandon a  
9 land line service. And I would also like to thank  
10 the PSC. You know, coming to Fire Island, as we all  
11 know, is not an easy task. But you took the time to  
12 be here where the people are at a time that the  
13 people are here, and especially to the Commissioner.  
14 She is one of five. She took the time to be here  
15 today and I appreciate it.

16 [Applause]

17 HONORABLE CARPENTER: Commissioner Acampora  
18 has a long history of service to the residents of New  
19 York and Long Island. And I want to personally thank  
20 you for being here. And I appreciated your comments  
21 earlier that you will communicate to your fellow  
22 members, your fellow Commission members just the real  
23 sentiment and the passion that everyone here has  
24 today for this issue. Thank you very much.

25 [Applause]

1 MS. PHILLIP: Okay. I'm just going to give  
2 you another time check. I'm going to keep plowing  
3 through but we're at about 2:30 and I've gone  
4 throughout about half of the cards, so we're just  
5 going to keep moving. The next give speakers are  
6 Alice Herb, Jon Gordon, Joan Evans, Esther Roshwaab  
7 and Eileen O'Neil. And again--are they still here?  
8 Alice Herb? No? Jon Gordon? Joan Evans? Esther  
9 Roshwaab? Are you Eileen? I'm sorry. Okay. Okay,  
10 just give your--both--you can go. I don't know who  
11 is who, so please state your name.

12 MS. JOAN EVANS: Hello, my name is Joan  
13 Evans and I am from Fair Harbor, Fire Island. I  
14 spend seven months per year there. And I would like  
15 to make a statement about Voice Link service and  
16 hearing impairment. And I will speak from my own  
17 personal experience, if that's okay. And there are  
18 two parts to hearing. And one is volume, which some  
19 fortunate people can control by a hearing device or a  
20 telephone or both. And the other part of hearing is  
21 clarity of speech or word recognition. And I was  
22 able to hear quite well I would say on a land line  
23 and hold a long conversation.

24 And with the Voice Link service that I now  
25 have my telephone is useless to me. I can't even

1 recognize who it is that is calling me and let alone  
2 have a conversation with them. Communication is a  
3 treasure and if you're losing your hearing you  
4 experience that more than ever. And the Voice Link  
5 service has really deprived me and I think many other  
6 people of the ability to talk to those I love, my  
7 family and friends, the people I work with, my  
8 employer, the people in my community, public  
9 officials such as yourselves, Congressmen, Senators,  
10 emergency workers.

11 And what disturbs me is that in an emergency  
12 if I could get through on the phone I would not know  
13 what I was being directed to do or even if I was  
14 speaking to the right person. Anecdotally I have to  
15 say that somebody from Verizon called me a few days  
16 ago and it took me a very long time to know who it  
17 was that was calling and I finally discerned the word  
18 "Verizon." So I had to ask him to call me back on my  
19 cell phone, which is I would say not so great for me  
20 and for husband. And so if--with many repetitions I  
21 could finally understand that he wanted me to speak  
22 about my service and I then did that.

23 But it's a huge loss, a huge loss and I  
24 think a danger. And I didn't have this problem on a  
25 landline at all. And I urge you to consider that

1 point of view when you're examining this issue.

2 Thank you for allowing me to speak.

3 [Applause]

4 MS. EILEEN O'NEIL: I'm Eileen O'Neil. I'm  
5 the deputy commissioner for the Fair Harbor Dunewood  
6 medical district and I just want to be on the record.  
7 I did say much of this before. I think we all know  
8 that the--first I want to make one point. There is a  
9 lot of talk where several comments that were made  
10 about Fire Island not making a significant economic  
11 contribution to the bottom line of Verizon. But Fire  
12 Island makes a significant contribution to the  
13 economy of Long Island. And that is something that  
14 we need not forget. And we need the communications  
15 to continue that economic support for Long Island.

16 In terms of the medical district, this  
17 failure of Verizon to even investigate what would be  
18 missing with Voice Link in terms of those patients  
19 who need to communicate via Med alert, that never  
20 came up until I raised the question in my house when  
21 they came to visit me two weeks ago. Today we heard  
22 this exploratory--I found out information about what  
23 is available. That information is I can't believe  
24 that a company as sophisticated as Verizon is putting  
25 forth a new technology and not know what they are

1           losing and in some way communicate to those whose  
2           very lives depend on it.

3                       There is absolutely the most appalling lack  
4           of communication to the neediest people. There are  
5           lots of people who can dial 911 and get through no  
6           matter what system we have. But if you're not able  
7           to get to a phone and you're dependent on a med  
8           alert, or if you are the caregiver who has something  
9           happen, the patient can then press the med alert.  
10          And to have no regard for that and to look into what  
11          would be lost, to me is shocking. And I want that on  
12          the public record. And I, just as everybody else, I  
13          am requesting that their request not be granted.  
14          Thank you.

15                       [Applause]

16                      ALJ PHILLIPS: Thank you. I also have cards  
17          for Adam Abrams, Chris Lincoln and Marki Knopp.

18                      MR. ADAM C. ABRAMS: Good afternoon,  
19          Commissioner, Judge Phillips. How are you today?  
20          Thank you so much for coming. My name is Adam  
21          Abrams. I'm an attorney and a real estate broker  
22          here on Fire Island. I'm third generation from  
23          Seaview. I grew up here. This is my 46th summer  
24          living on the bay.

25                      I just want to point out a few things. I am



1 not a Voice Link customer. I have stayed away from  
2 it. So I'm not going to comment on the success for  
3 failure of that project. I will however like to  
4 point out a long history of Verizon abusing the  
5 residents of Fire Island. Every summer I've come out  
6 here, every winter I suspend my service. When I come  
7 out on in the spring, there has always been a  
8 problem. I started off with a landline from my home.  
9 I added what's called a dry loop DSL for my home.  
10 I've had four lines and a DSL for my office when I  
11 had an office in Ocean Beach. I added up how much I  
12 spent from 2010 to the present.

13 They are still sending me bills, despite the  
14 fact that I have cancelled my service and have  
15 requested refunds. I am still being billed six  
16 months later, after I was run through the whole  
17 rigmarole, several tickets for repairs for people  
18 that have never shown up. I am told by any number of  
19 Verizon employees that, yes, we will send somebody  
20 out to fix your line. It took tens of hours of my  
21 time and 20 or 30 calls to finally get a straight  
22 answer saying that there's no more repairs going to  
23 be done on Fire Island. I spent close to \$4,000  
24 since 2010. That's not including the fact that  
25 that's for home service and business service.

1                   When I tried to convert my business service  
2                   to my home service, it took them six months to be  
3                   able to do that. When I tried to port my phone  
4                   numbers out to another company, it took me three  
5                   months to do that. They had tickets that they said  
6                   were open, repair tickets, that's why we can't port  
7                   your number. I said, "I was told you can't do the  
8                   repairs."

9                   The point is that every summer there's been  
10                  a problem. Every summer they've come and fixed it  
11                  except for this summer. Why is this summer any  
12                  different? Because they are looking at their bottom  
13                  line. The bottom line is that they've been  
14                  collecting revenues on Fire Island through a monopoly  
15                  for as long as I've been here, 46 years. And now  
16                  when the time has come for them to reinvest, whether  
17                  it's copper service, FiOS, fiber optic, or whatever  
18                  service will work, they are not willing to expend the  
19                  dollars to pay back what they have received over year  
20                  and years of overbilling. One of my bills I went  
21                  back and looked for one month was \$500 for four lines  
22                  and a DSL. I was also phased out of my dry loop DSL  
23                  because it was not financially feasible for them,  
24                  nothing to do with the storm, but my suggestion to  
25                  Your Honor is to increase the scope.

1                   And I would urge you to push back against  
2                   Verizon, not only deny their application to suspend  
3                   the tariff. I would include in that that DSL service  
4                   is an essential service that needs to be required for  
5                   them to provide on their copper lines pairs, and that  
6                   everything that they've received in the past, let  
7                   them open their books. Let them discourse all of the  
8                   profits that they've earned before they start  
9                   requesting that they do cost cutting measures to  
10                  deregulate their business, and so that the people of  
11                  Fire Island who have supported them for years and  
12                  years and years get the benefit of the bargain. This  
13                  is a two-way agreement. This is a contract for both  
14                  of us. They have required us to pay outrageous  
15                  exorbitant prices for years and years. Now when the  
16                  time comes for them to put back, they want to back  
17                  out of their end of the agreement.

18                 When LIPA was out here and the power lines  
19                 failed, they called in technicians from all over the  
20                 country to get Fire Island back on the grid. Verizon  
21                 has technicians all over the country. If they wanted  
22                 to repair the service here, it would have been done,  
23                 and it would have been done cheaply, affordably,  
24                 efficiently, but not unregulated. Thank you for your  
25                 time.

1 [Applause]

2 MR. CHRIS LINCOLN: I'm Chris Lincoln. I'm  
3 a 30 time--30-year part-time year-round resident here  
4 in Ocean Beach. I'm the assistant fire chief of the  
5 Ocean Beach Fire Department. By the way, if the fire  
6 department did not have their copper lines we'd be  
7 severely debilitated. There's no question about  
8 that.

9 I'm a Verizon customer. I've had--all of  
10 those years I've had two or three lines out here on  
11 Fire Island. I've had five or six lines in  
12 Manhattan. So I'm a--I'm a big Verizon customer. I  
13 ran a computer network out here and I'm a software  
14 developer like some of the other people here. I'm no  
15 longer able to live here and do my work. That's  
16 just--it's over without DSL. It's just not  
17 economically viable nor technically viable.

18 I'd really like to--because the focus here  
19 is on Voice Link, I'd like to go through this list  
20 which is a bunch of features that are available on  
21 copper but are not available on Voice Link. So it  
22 speaks directly to the Voice Link issue. Some of  
23 them are less essential like DVR. Some of them are  
24 more essential for business owned--businessmen like  
25 myself or the restaurant owners, and some of them are

1 essential for life for some smaller number of people,  
2 as you mentioned here.

3 So I'm just going to go through the list.  
4 And this is the list--this is the function--these are  
5 the things that are available in copper that are not  
6 available in Voice Link. That's fax machines, DVR  
7 services, ATM business machines, credit card  
8 processing, medical alert or other monitoring  
9 services, deaf relay services for the hard of  
10 hearing, that's TTY.

11 DSL which we've been talking about  
12 extensively which people need for business, and also  
13 DSL actually has a real effect on the economy of the  
14 community at large. I mean without the DSL there's a  
15 lot of people that can't live here. There's a lot of  
16 people that don't want to come here anymore because  
17 they don't have internet access.

18 Continuing with the list, monitored home  
19 security systems, 500, 700, 900, 950, 976, 000010  
20 codes, in other words international calls not  
21 available on your Voice Link, calling cards, dial  
22 around calls. You can't accept collect calls, third  
23 party--third party billing. You can't bill any  
24 changes on behalf of other carriers. So you can't  
25 have international calls from other carriers. And it

1 doesn't require providing power. In other words, the  
2 old copper you didn't have to have power for that  
3 copper service to work.

4 E91SA guaranteed service, well Verizon will  
5 tell you and in fact they've made significant efforts  
6 to make 911 work, and to some degree they've made it  
7 but they don't guarantee it. It's guaranteed on  
8 copper. So they're formally guaranteeing that 911.  
9 They're making a best effort but they're not  
10 guaranteeing it. And then finally competitors can't  
11 use the wires. In other words, the competitors are  
12 not going to be able to use whatever system that  
13 Verizon puts together.

14 So that's the list and I respectively--I  
15 thank you for coming out here and I respectfully hope  
16 that you will deny their application. Thank you.

17 [Applause]

18 MS. MARKI KNOPP: Hi. My name is Marki  
19 Knopp and I would like you to deny Verizon, their  
20 request. My husband is the gentleman that was taken  
21 off the island on Monday via helicopter. He has a  
22 defibrillator and a pacemaker in his body and if we  
23 were able to use that--if the copper wires were  
24 there, we could use that telephone service to  
25 continually monitor him, but because we didn't and he

1           felt fine and he still feels fine after spending  
2           three days in the hospital, had we been able to check  
3           on him we probably could have gotten to the doctor  
4           without him being helicoptered off the island because  
5           we had no idea that this was going on inside his  
6           body. So I urge you again to please deny their  
7           request. Thank you.

8                       [Applause]

9                       ALJ PHILLIPS: Thank you. I have cards for  
10          Karen Kee, Tara McBride, and Christine--I believe  
11          it's Balogna. Okay.

12                      MS. KAREN KEE: My name is Karen Kee and I  
13          represent--I'm a Board Member of Ocean Bay Park  
14          Association, and I represent well over 200 residents.  
15          I've been serving on the board since 1985 and I'm  
16          here to present the historic facts of Verizon  
17          through--though claiming Superstorm Sandy was the  
18          catalyst that caused this--them to abandon copper  
19          wire, in fact I have examples, communications, and  
20          photographs demonstrating that they had abandoned  
21          proper maintenance and repair activities dating back  
22          to 2009.

23                      They were not completing, not repairing  
24          lines that were flooded, that had water in the vault.  
25          What they did was they took them out until they

1           dried. And showing such disrespect for us, they took  
2           them out and blocked a fire hydrant and left it out  
3           for well over a month, a deep hole, no access to the  
4           fire hydrant. We notified Verizon that afternoon and  
5           it took a month for them to cover up the hole they  
6           had--they had created.

7                       We have similar stories along the bay and  
8           that connects Point O'Woods, the Bay Walk, to  
9           Seaview. It's a very important wire that is buried  
10          there and it floods continually. Every full moon it  
11          is flooded and any rainstorm it's flooded, and there  
12          is no attempt to get that to work. And this now is  
13          2010 that this has been happening since. They could  
14          have easily brought the line above ground. There's a  
15          telephone pole right there. We said "Why aren't you  
16          wiring to the telephone pole?" And they said, "Oh,  
17          it's not cost effective. We're going to just leave  
18          it here."

19                     What we're concluding from this behavior is  
20          that they had intended to abandon Fire Island long  
21          ago. And when Superstorm Sandy hit they said, "All  
22          right. We can get out of here now. PSC will believe  
23          that it's impossible to go back and they're going to  
24          grant this tariff." I think that what happened was  
25          back in 2009 or earlier they said "We're out of here.



1 And then the PSC will certainly accept our story  
2 after Sandy."

3 I also want to add that I attended that very  
4 private meeting with Alicia Eve, who worked for Cuomo  
5 in regulatory and was just brought over to Verizon in  
6 regulatory. And she took copious notes on everything  
7 we said, and there were four of us at that meeting.  
8 And her conclusion was "I will bring this information  
9 and these comments back to the people at Verizon who  
10 need to hear it." And I groaned and said, "Why don't  
11 we ever meet an operations person instead of  
12 regulatory and public relations people to explain the  
13 technical aspects of why they can't repair?"

14 All I ever hear is it's totally destroyed.  
15 It's beyond recognition, beyond repair. How many  
16 wires is that we're talking about? Is it--I can't be  
17 all the wires because people are receiving copper  
18 wires. So how many is that? They serve the Fire  
19 Island, the fire departments and they manage to get  
20 copper wire working there, and we don't know how many  
21 other wires they could repair.

22 Finally, the point I want to make is that  
23 we're not a cash cow for Verizon. They lose money  
24 serving us but we all know that that revenue stream  
25 that is lost is included in the rates they charge.

1           The rate structure, when they apply for a rate  
2           structure as you probably know, includes the entire  
3           Verizon balance sheet for this region. So the fact  
4           that they're losing money here is expected. They're  
5           a carrier of last resort and so they have to provide  
6           and lose money, as most of them do. But the rate  
7           structure includes the loss. So they're not losing  
8           money. And that's all I wanted you to note in here.

9                   I also, should you be interested, have  
10          photographs of the disastrous holes they have left,  
11          the dates of them, and the dates they repaired it.  
12          Many--two of which are two years for them to get it  
13          right and say "Wow, this floods all the time. Maybe  
14          we should fix it." So should you be interested I  
15          have those photographs. Thank you for that. Do you  
16          want them?

17                   ALJ PHILLIPS: You may give them to me.

18                   MS. KEE: All right. I'll hand them to you  
19          now.

20                   [Applause]

21                   MS. TARA MCBRIDE-HESSLIN: I have lots of  
22          pictures too. I can email them if you're interested.

23                   ALJ PHILLIPS: Thank you, Karen.

24                   MS. MCBRIDE-HESSLIN: Hi. My name is Tara  
25          McBride-Hesslin. Thank you for coming. I too object

1 to Verizon's tariff and I hope you'll reject it. I  
2 live year-round in Lonleyville with my husband and  
3 three children. All four of our landlines worked  
4 throughout the storm up until early March.

5 My husband's a volunteer firefighter in Fair  
6 Harbor. Two days after the storm, Connor [phonetic]  
7 came out with members of the department to clear the  
8 roads for emergency services. Because our house had  
9 working and DSL, Connor and volunteer members were  
10 able to stay at our house and work safely for three  
11 weeks, readying the island for residents' returns.  
12 When our phone lines went out in March, both at home  
13 and for our small business DSL fax line, etcetera,  
14 Verizon promised, like many others, to send someone  
15 out, issued trouble tickets, then did an about face  
16 and refused to come months later. The presidential  
17 customer relations escalation department, who I've  
18 had a four-year relationship with, refused to answer  
19 my calls.

20 Most alarmingly though, Verizon left my  
21 family without access to 911 for three weeks. It was  
22 only after we placed many, many calls to the PSC and  
23 wrote letters to elected officials on state and  
24 county levels did Verizon finally install the new  
25 Voice Link wireless system to our home. Again, it

1           took three weeks without 911. From what Verizon's  
2           reps told me, we were the first to have the system on  
3           Fire Island.

4                       Unfortunately, the system proved unreliable  
5           from the very start and had to be replaced within the  
6           first week. The sound quality has always been poor.  
7           It sounds under water when you're dialing. I can't  
8           hear anybody. Some people said the volume was loud.  
9           That's not the case for me. My children, friends,  
10          and family tell me over and over again that when they  
11          call the house the call is dropped or it makes an  
12          alarming sound, and also they get very odd messages.  
13          It prevents--Voice Link presents many challenges  
14          Verizon doesn't want to talk about in public.

15                      I'd like you to consider this scenario.  
16          Grandma is watching my kids and suffers a stroke  
17          while I'm in the city. My six-year-old tries to call  
18          911, as he has been taught to do, but the power went  
19          out during the storm and the battery backup on the  
20          Voice Link system is dead. My son searches through  
21          the drawers of our house for the extra double A  
22          batteries, luckily finds three, opens the Voice Link  
23          device, replaces the battery, and finally dials 911.  
24          Oops, a little too late, they can't come. It's too  
25          late.

1 I think a six-year-old could probably find  
2 the batteries and replace them with some instruction,  
3 but younger than that I seriously doubt. Verizon  
4 will say the Voice Link system is better than a  
5 landline because it identifies the location of the  
6 emergency instantly, but without power that argument  
7 falls flat.

8 Of course I'm glad it has the E911 feature,  
9 but I suggest teaching children to be aware of where  
10 they are as an easy fix, and one educators are  
11 already addressing. Ignoring the serious risks  
12 associated with teaching a small child how to locate  
13 and change a battery backup system, particularly in  
14 an area that LIPA's infrastructure is prone to fail,  
15 is seriously negligent on Verizon's part. Verizon  
16 will also try to blame the copper infrastructure and  
17 as you know that--I'm going to skip that because we  
18 already covered that.

19 My concern is that if Verizon is doing this  
20 to me and other affluent seasonal residents, I'm sure  
21 it's going to happen to many other folks, seniors,  
22 and low income families that do not have the time or  
23 resources to make their voices heard. Verizon's  
24 decision to abandon copper will save the company  
25 millions and I understand why from a financial

1 perspective the decision is strategic, but it puts  
2 many people in danger. I don't want blood to have to  
3 be shed before Verizon is held accountable. We need  
4 to have measures put in place that ensure what  
5 happens to us doesn't happen to other people in our  
6 region or across the country.

7 I spoke before about Verizon's notice to me  
8 saying that they were going to investigate the  
9 facilities on Fire Island before Sandy. I'd like to  
10 know if and how that investigation is under way, and  
11 how other Fire Islanders can testify about their  
12 experiences prior to Sandy. Notice of this  
13 investigation should be made public. It's  
14 particularly important that this investigation become  
15 widely known and published so that comments can be  
16 requested and others can attest to their longstanding  
17 frustrations with Verizon and their lack of attention  
18 to the infrastructure over the past four or five  
19 years.

20 I'm going to skip a lot of this. My  
21 understanding is that from an article published by  
22 the FCC and a report in the National Regulatory  
23 Research Institute, that carrier of last resort is in  
24 place in New York as of April 12th. I can't find a  
25 piece of legislation that changed this law, so I

1 don't know how an opinion by the PSC can change this  
2 as I understand the PSC found that the availability  
3 of basic telephone service was widely sufficient. If  
4 service here on Fire Island is any indication, the  
5 PSC mustn't have had all the facts at hand when they  
6 came to that conclusion. And I'd like to understand  
7 how they came to that conclusion that basic telephone  
8 service was widely sufficient and that carrier of  
9 last resort didn't apply, because I've been asking  
10 since March to have my phone restored and that seemed  
11 to be ignored over and over again. And, like  
12 everybody else, my main concern is for wire line  
13 services during emergency outages.

14 Verizon has stated where existing wire  
15 copper pairs are functional they'll continue to use  
16 them and provide services to the extent possible, but  
17 when my DSL came back on in early May Verizon refused  
18 to repair it. Only this week, after the angry mob  
19 attacked them at the last hearing, did they finally  
20 call and say that they would reinstate my DSL. They  
21 sent four technicians out yesterday and they found  
22 that, yes, the router worked and that the line was  
23 fine, but that I needed to sign a new terms of  
24 service agreement which I printed out and looked at  
25 and it basically said you have no guarantee that the

1 phone lines going to work. We can take it away from  
2 you at any given time.

3 So they discontinued my DSL service even  
4 though I said on numerous occasions not to change any  
5 of my lines, like everybody else here. So they've  
6 been--they've been lying basically to everybody and  
7 to you. And I'm really just concerned about  
8 emergency services. Data will work itself out, but I  
9 want to have access to emergency services for my kids  
10 and the way they treated me and left us without 911  
11 for three weeks and now have given me a Voice Link  
12 service that doesn't work consistently, isn't  
13 adequate, and I hope you will reject them. Thank  
14 you.

15 [Applause]

16 ALJ PHILLIPS: Thank you. Is Gail Davis  
17 here? Okay. Gail Davis, Deborah May, and Eric  
18 Palatnik.

19 MS. GAIL DAVIS: Thank you for coming today.  
20 We really all appreciate it very much. I find the  
21 Voice Link service to be substandard. I believe it's  
22 inadequate, unsafe, and unreliable. I have the Voice  
23 Link service because when I came out here in March  
24 and actually even earlier in January we did not have  
25 any voice telephone service. We had no electricity



1 but I have a backup non electric telephone that I've  
2 had for years but that failed to work as well. So I  
3 got the Voice Link.

4 Unfortunately, as everybody has testified  
5 already, often there are dropped calls. I call. I  
6 don't get through. Often I call and somebody says  
7 "Hello? Hello?" And they don't hear anything. They  
8 hang up.

9 But my main concern--and I have two  
10 concerns. One concern is the DSL and data service.  
11 I'm very concerned with the emergency aspects that  
12 are nonexistent in Voice Link. DSL and internet  
13 service is no longer a luxury. It's an essential.  
14 This is the way of the future. It is our  
15 communication. It in some senses--some people  
16 communicate through internet more so than the  
17 telephone system nowadays. The fact that we don't  
18 have DSL and no data service is I think very poor.

19 The emergency--the lack of emergency  
20 services of Voice Link is also I feel unsafe and  
21 unreliable. Without electricity, if the electricity  
22 goes in another storm which is bound to happen at  
23 some point, there's no way to contact the outside.  
24 Voice Link says they have 36 rather than 72,  
25 according to the terms of service that I received,

1 hours of backup service. Only two of which are  
2 voice utilized, able to be utilized by talk time. In  
3 Sandy, the wireless tower generator did not work. So  
4 there would not be any service in any event if there  
5 was--if there was not electricity and there would not  
6 be the wireless tower. So there would be nothing.

7 We are a barrier island, as many people have  
8 said. We particularly need access and communication  
9 to the outside world, whether it be through internet  
10 and copper hard wire. In an emergency, that is the  
11 only reliable backup is hard wire. That's what we  
12 need and that's what we believe we're entitled to.

13 It's disconcerting that Verizon let the  
14 copper and--left the copper and trenches exposed to  
15 the elements previously it seemed, according to the  
16 testimony from 2009. And it seems that the damage to  
17 the copper was of Verizon's own making. These seem  
18 to be a self-created condition and certainly Verizon  
19 should not benefit from such a self-created  
20 condition. It's also disconcerting that in many  
21 reports of homeowners--and I don't know whether  
22 there's been testimony here today but there was the  
23 other day at the other hearing--that when they  
24 returned after Sandy both their voice and DSL  
25 landlines were working. Then mysteriously the DSL

1 lines failed shortly thereafter.

2 We have all been paying the universal  
3 service charge. We've been paying our bills for  
4 many, many years. I'm a 35-year-old resident of  
5 Saltaire and only today we find out that it's not the  
6 cables to the island that have been destroying and  
7 hurt. It's now cables on the island, and which is  
8 even more disconcerting because Verizon's lack of  
9 repair and self-creating this condition.

10 I also understand that all the  
11 municipalities on Fire Island have fiber optic phone  
12 and data service which works. Verizon has chosen not  
13 to provide the residents which I believe is certainly  
14 putting money above people. After years of paying  
15 the universal service charge and our fees and being  
16 loyal customers, this is no way to treat loyal  
17 customers. Therefore, we respectfully ask that PSC  
18 deny Verizon its request. Thank you.

19 [Applause]

20 MS. DEBORAH MAY: Hi there to those of you  
21 who are still here. My name is Deborah May and I  
22 live at 31 Island Walk in Lonleyville. I'm also a  
23 member of the Board of Directors of the Taxpayers  
24 Association of Lonleyville, and I'm here both as a  
25 representative myself and also of many of the other

1 homeowners in Lonleyville.

2 Lonleyville's in a unique situation. Our  
3 community, yes, was impacted by Hurricane Sandy,  
4 although not as badly as some of the neighboring  
5 towns. Many of our homes in Lonleyville have working  
6 DSL and landline service. So while I know we're  
7 supposed to be talking about Voice Link, our response  
8 to Voice Link is that we're terrified that we may  
9 have to take it. We have been told that if the  
10 landlines fail we will not get them fixed, and I  
11 think a lot of people have talked today about how  
12 they've refused to repair the lines. We have been  
13 left with some people who have perfectly functioning  
14 service, other people that don't have any.

15 Unfortunately, I'm one of the people who  
16 doesn't have any. There's a small cluster of  
17 approximately five homes and I have been asking since  
18 April for Verizon to come check a connection on the  
19 pole, much like Daryl did in his conversation a long  
20 time ago in one--at the beginning of the hearing  
21 where he was talking about a line being broken. My  
22 pole came down and I've been asking them to reconnect  
23 the line to the pole, and they keep telling me they  
24 can't do it. And finally I got a person who told me  
25 they didn't have any parts to connect it, which that

1 was sort of my response. I laughed and I said  
2 "You're not telling the truth." So after the hearing  
3 two weeks ago they called me and said "Maybe we'll  
4 see if we can get somebody to come out and check your  
5 pole. We'll call you back tomorrow." But still  
6 there's been nothing.

7 So aside from calling other people who have  
8 Voice Link and realizing our calls don't go through  
9 and the quality of the calls is bad, we're terrified  
10 that we're going to be forced to go to Voice Link.  
11 When early in the season I asked the people who were  
12 selling Voice Link if I have a cellphone why do I  
13 want Voice Link, and they had a hard time answering  
14 me. So I said, "So you're asking me to pay for a  
15 second poor quality cellphone when my first cellphone  
16 also drops calls and doesn't have good service." So  
17 that's been a concern.

18 We've really been left a lot of--out in the  
19 cold with many of the responses. They haven't  
20 responded to calls. They again tell us that they're  
21 coming and they don't come. Finally they tell us  
22 they're not fixing it. At the beginning of the  
23 season, many of the Verizon technicians told us they  
24 could have Lonleyville up and running in a few days,  
25 but then they were told they couldn't do anything.

1 So we were left without being able to get our lines  
2 fixed.

3 When many people are on the island, all are  
4 trying to access their phones and internet via the  
5 Verizon internet services, whether it be Voice Link  
6 or cellphones or some people with AT&T and other  
7 Sprint, all using the broadband. The calls aren't  
8 working. The internet connections through cellular  
9 hotspots aren't going. If there's a change in  
10 service that's being made, it shouldn't be one that  
11 leaves us in fear of having to get Voice Link. It  
12 should be something that would be more of a concern  
13 of is it going to do what we need. We're afraid of  
14 it because it doesn't work.

15 You've heard today--I don't need to go into  
16 it again--many, many reasons about why it doesn't  
17 work. The safety concerns, the access for first  
18 responders. We have several EMT first responders in  
19 our community who are not getting the signals. They  
20 do have Voice Link and they're not getting the  
21 signals in a timely way. With the Verizon terms of  
22 service, there's a disclaimer that talks about  
23 limitations on 9-11 service--911 emergency services,  
24 and it warns the customer that using the service may  
25 be subject to network congestion and reduced routing

1 or processing speed. That doesn't give me great  
2 confidence in the fact that they're going to get  
3 there if there's an emergency.

4 Since the last hearing, many of us who  
5 provided complaints at that hearing have been called  
6 by Verizon and asked if we would be happy if they got  
7 our phones and DSL working. Of course we said "Yes  
8 we would. We would have been happy with that back in  
9 April, but you didn't do it." So they've called.  
10 They've said they're going to call us back or fix  
11 things, but they haven't called us back and they  
12 haven't fixed things yet.

13 I have been one of the people who have been  
14 required to pay my bill for a nonworking line for the  
15 entire summer. And when I said to them "Why do I--  
16 why can't you credit it? My line doesn't work," they  
17 says, "No, your only check is--your only option is to  
18 get rid of that line and take Voice Link, and then  
19 you won't have to pay for the line anymore." And  
20 when I said to them, "Yes, I understand that but this  
21 is a temporary ruling and I want to maintain my line  
22 in case the ruling goes against Verizon." The  
23 response I received from Verizon, "The ruling will  
24 not go against us." Yeah. So what I want to say is,  
25 "Given the amount of profit and tax breaks that

1 Verizon has, it seems reasonable to require them to  
2 either fix the copper landlines, install fiber optic  
3 cable which would be less susceptible to weather  
4 damage, or set up a wireless system with reasonable  
5 cost data options that has adequate broadband or  
6 strength to work.

7 Please don't allow Verizon to abandon us  
8 with an inadequate solution. Their people who are  
9 answering the phones are already telling us it's a  
10 done deal. Don't let it be.

11 [Applause]

12 ALJ PHILLIPS: Thank you. Thank you. I'm  
13 going to keep pressing through. Is Eric Palatnik  
14 here or no? Zabar? Okay. And after that is  
15 Danielle--Daniel Gonzalez? No. Judy Corcoran?  
16 Larry Mattiason?

17 MS. CAROL ZABAR: Hi. My name is Carol  
18 Zabar. I am a resident of Seaview Fire Island for  
19 the last 35 years. Frankly, I don't know why we're  
20 having this conversation because I don't understand  
21 why the Public Service Commission gave Verizon the  
22 authority to not fix our lines. A public utility is  
23 mandated to service customers. It's not optional.  
24 Some years you make a lot, some years you don't make  
25 so much, but you can't say "Oh, we're really not



1 going to do it because we're not making enough."  
2 It's just not an option. Because you're a monopoly,  
3 because you are a public utility, that's not  
4 something you can say.

5 And why the Public Service Commission gave  
6 Verizon the right to not fix the telephones out here  
7 while their application was pending is something I  
8 just don't understand. Whether or not it costs a lot  
9 or it costs a little is really immaterial. If they  
10 have a grievance that they're not making any money,  
11 they're going to go out of business--it doesn't seem  
12 so likely--they can ask the federal government for  
13 relief and they have a lot of other options, but they  
14 can't ask you, the Public Service Commission, to  
15 relieve them of their obligation to provide service.

16 Service, I don't have a line at all. They  
17 can't say "Well, you know what? We have this Voice  
18 Link and it really doesn't do all the things that the  
19 copper wire did, but it's good enough." They can't  
20 say that. They simply don't have that option. Why  
21 the Public Service Commission gave them the right to  
22 go ahead and not fix the copper wire is something I  
23 just don't understand. They're mandated to give us  
24 service. They can't say "Oh, we can't do that. It's  
25 just too expensive." So you've all heard what Voice

1 Link is about but to me it begs the question why was  
2 the Public Service Commission so ready to say "Oh,  
3 you're right. You're not making enough money. It's  
4 too expensive."

5 You don't have to be a rocket scientist to  
6 understand that Fire Island is the thin end of the  
7 wedge. We are not that many people. We're here just  
8 mainly during the summer months, but around the  
9 country there are many, many other places that are  
10 far away that are inconvenient for Verizon. And if  
11 they can get away with not servicing their customers,  
12 they're certainly going to get away with it. Please  
13 deny their application which frankly I don't  
14 understand why you took at all. Thank you.

15 [Applause]

16 MR. LARRY MATTIASON: My name is Larry  
17 Mattiason. I have been a year-round resident here on  
18 Fire Island since I was 13. At one point I was an  
19 electrical contractor. I've been the chief of the  
20 Ocean Bay Park Fire Department. Currently I'm an  
21 assistant chief. I've done many things. I'm very  
22 aware of all the infrastructure here on Fire Island.  
23 I'm very aware of a lot of the infrastructure of the  
24 phone company. I have--on occasions when they've  
25 sent crews to make repairs in previous years that are

1 not fiddling with the island I've had a call from  
2 Verizon, "I don't know who you are. You don't know  
3 me, but the crew told me I should call you because  
4 there's a crew out there who can't find their  
5 underground cable and you know where it is." Okay?  
6 That's where I stand on knowing the intricacies of  
7 their system.

8 Now, the community of Seaview and Ocean Bay  
9 Park, they're fed by mostly overhead aerial telephone  
10 lines. The only section that feeds 100% of Seaview,  
11 part of Ocean Beach, and a third of Ocean Bay Park,  
12 is the underground section that goes from the central  
13 office straight up to Midway, the center road here in  
14 Ocean Beach. It goes overhead, splits into two  
15 aerial lines, and feeds every customer, all overhead.  
16 Now, Verizon said that they would maintain those  
17 aerial lines. It's every line that goes into the  
18 central office does go underground because they have  
19 no aerial connections. So that's a short hop, a  
20 short cable, but if that's the only section for all  
21 of those customers why can't they fix that? And that  
22 goes on. Ocean Beach has even shorter lines. They  
23 have major aerial cables feeding the vast majority,  
24 yet people are not given the service. Okay?

25 Down at the west end of Fire Island there

1           were these posters put all around town, "Get rid of  
2           Verizon on and off the island." Verizon employees  
3           were told to take those down. Okay?

4                       FEMALE VOICE: They stopped - - .

5                       MR. MATTIASON: Yes, they--

6                       FEMALE VOICE: - - .

7                       MR. MATTIASON: Okay. Now, I keep hearing  
8           about copper line, dial tone. The Communications Act  
9           of 1934, I didn't see dial tone mentioned in there.  
10          I did a lot of--I didn't read the whole thing. It's  
11          a lot of paperwork and I--you know, we're still  
12          recovering from Sandy. I don't have that much time.  
13          I did see mention of service, service, service. No  
14          dial tone, no copper line. One part of it in there  
15          is "No carriers shall discontinue, reduce, or impair  
16          service to community or part of a community  
17          unless/until there is such," very poorly worded,  
18          "shall first have been obtained from the Commission a  
19          certificate that neither the present or future public  
20          convenience and necessity will be adversely affected  
21          thereby," and then it goes on. Okay?

22                      This is--you know, it's supposed to be that  
23          the service is guaranteed by the federal government  
24          and subsidized by the universal service fund.  
25          Obviously that's not the case. I have an aerial map

1 showing all of the aerial lines that feed Seaview and  
2 Ocean Beach. You can go around to all the  
3 connections. What's not on here are the connections  
4 that go to individual houses. I mean there are some  
5 sections where you see a block but individual lines  
6 just go down the poles. They're not on this. This  
7 is just the main--the main trunk lines. Okay?

8 Now, the reason I was bringing up the act of  
9 1934 and service, dial tone wasn't mentioned. Now,  
10 back in the '20's the news wire service was using a  
11 multiplex system to transmit news back and forth.  
12 Now, most people don't think of that as being a modem  
13 but the workings of it was a modem. It worked over  
14 the phone lines in the '20's and that's the same  
15 system we have now. It still works. It's the same  
16 system that DSL goes over. So the service provided  
17 was capable from before the enactment of the  
18 regulation and it's--that should be included in what  
19 they have to preserve. It's service that was  
20 available and denying is right here. It's written it  
21 shouldn't be.

22 As far as Verizon misleading customers, I  
23 could give you a whole list of examples but you'd  
24 have to rent a room tonight, so I'm not going to go  
25 into that. On the web, insult to injury, I have here

1 a printout of their website. They have  
2 advertisement. This is a specific site for Fire  
3 Island and Voice Link. They have the recovery video.  
4 FiOS Won Long Island, see the video. They have  
5 advertisements for FiOS. We can't get it. It's  
6 ridiculous. It's just an insult. And it goes on and  
7 then they advertise--and then they advertise Voice  
8 Link.

9 Like I say, Verizon has been extremely  
10 misleading, outright lies. The crews trying to  
11 repair the lines underground, they're saying "All we  
12 need is a 100 foot piece of cable to make this  
13 repair. We have a bad section. We can splice it at  
14 one end, splice it at the other end, and that bad  
15 section would be replaced. They were not given the  
16 cable to do that." The most important thing for  
17 preserving the underground cables are the--is air  
18 pressure inside the jacket. All of these ditches  
19 that were open, the cables exposed, the jackets cut,  
20 they could not maintain air pressure. When Fire  
21 Island Pines had problems with their underground feed  
22 which eventually they tied into the existing fiber  
23 optic, they put in overheard air lines to subsidize  
24 the air supply. Those have been cut loose and  
25 disconnected. So water--it's making it so water can

1 get in.

2 Even though all of that stuff has been done,  
3 the splice crews have said, "We have 80 to 90% of the  
4 pairs repairs to feed Ocean Bay Park." There is  
5 three sections where Ocean Bay Park is tapped into  
6 the underground cable, but that cable is not  
7 functioning. It works, it can work, but they're not  
8 letting it happen.

9 I'm cutting--I'm going a little out of order  
10 because a lot of this stuff was touched on and I  
11 don't want to keep repeating. Hold on. Okay. So  
12 basically Verizon is using Fire Island to set the  
13 precedent for Voice Link. The other night I'm  
14 watching a national news show about a customer on the  
15 upper east side. He called up, you know, the news  
16 station. You know, Verizon has not fixed my phone  
17 for a month. So the news people get there and find  
18 out, you know, they came, they repaired one line. He  
19 has a main line and a fax line. Well, they offered  
20 him Voice Link for his fax line. You know, I don't  
21 see the logic in that. And this is--this is in  
22 Manhattan. They're trying to sneak Voice Link  
23 anywhere they can and once you get it they're not  
24 letting you switch back. It's not right.

25 It's not fair, and the problems are self-

1           caused. If you can--if you can get the people who  
2           work on the lines, the splice crews, who were afraid  
3           of their retirement, if you can--I mean if you could  
4           subpoena them to testify and protect them, you would  
5           find out a lot of information and how Verizon has  
6           been very deceitful and outright lying.

7                       [Applause]

8           MR. MATTIASON: Thank you.

9           ALJ PHILLIPS: Thank you. Again, I'll just  
10          give you a quick time check. We're almost--it's  
11          3:26. I have six more cards, so I'll see. Edward  
12          Greenfield? No? Susan Slesinger? Okay. And what  
13          about Ronnie Ilovitch [phonetic]? Elvitch  
14          [phonetic]? Okay. Kurt Stall [phonetic]? Dawn  
15          Lupert [phonetic], Lippert? Dawn Lippert? Jim Hoey?  
16          I hope I'm saying that right. It's H-O-E-Y. And  
17          Elizabeth Hubby? Okay.

18          MS. SUSAN SLESINGER: My name is Susan  
19          Slesinger. I am a 23--sorry, 23-year summer resident  
20          of Fair Harbor. I have no service whatsoever because  
21          I have--I don't have any cell service where I am,  
22          nothing. So I got Voice Link and last week we had a  
23          really exciting week. All my smoke alarms went off  
24          at once at night, at about 10:00 at night. And the--  
25          my husband was there. I was in New York. And he



1           tried to use the Voice Link and it wouldn't go  
2           through. He dialed 911. Nothing went through.

3                     He then called--ran outside and ran way up  
4           the street because we have no cell service, no  
5           Verizon wireless service, nothing, nothing. And he  
6           had to go up the street and he actually called me to  
7           go, "Okay, what do I do," because he's my husband.  
8           And I'm like "Okay, send my 11-year-old on his  
9           bicycle to the fire station." Now, where does that  
10          put us? That's how we have to--you know, send  
11          someone to the fire station who then they called an  
12          alarm and they came and it was really nothing.

13                    But two days prior to that my 11-year-old  
14          fell off his bicycle, slammed his head against the  
15          walk, cut himself several places. And of course my  
16          husband called me in the city, and we spoke for about  
17          ten seconds and Voice Link cut out. We had seven  
18          calls. I could not call them. They couldn't hear--  
19          the phone wouldn't ring. I had four calls where I  
20          say "Hello? Hello? Hello?" No one was there. And  
21          I could see that the house was calling me, was there.

22                    He had to run up the street, leave my son  
23          hysterically crying, go all the way up the walk till  
24          he had service to call me to say "Okay, you know, I  
25          think he's okay." But, you know, this is ridiculous.

1 If there--how many people--like is someone going to  
2 die? Is a child going to be killed, really, before  
3 you guys decide that Verizon shouldn't be able to do  
4 whatever they want and that we should actually have  
5 service?

6 I mean Voice Link does not work. I asked  
7 them to come and remove it because I don't want to  
8 pay for something that's not--I mean I can't call it.  
9 They cannot receive a phone call and you can't talk  
10 for more than 10 or 20 seconds on the phone in my  
11 house. So I have zero communication.

12 And I actually have another experience with  
13 Voice Link. I have Verizon service in Manhattan on  
14 my landline in my business, a business phone. And I  
15 didn't have service for a month and a half. They  
16 said a cable went out and until I called the Utility  
17 Commission and filed a complaint, three complaints, I  
18 finally got a phone call and they--she said--Verizon,  
19 she said, "Oh, that cable should take two weeks at  
20 the most to fix." But they did come and they gave me  
21 Voice Link and it crapped out in two days. Okay? It  
22 just stopped working. And I have--there's plenty of,  
23 you know, internet there, you know, Verizon phones  
24 work there easily, and it just stopped working.

25 So if there is an emergency in my house

1 someone is going to die. Someone is going to be  
2 really hurt, or I have to send someone. I have to  
3 run to the fire station. I mean what year really  
4 does that put us back to? You know, I don't know.  
5 So I can't--I think it's egregious that they were  
6 allowed to do this and to offer this, and in your  
7 conscience if you do this you will have blood on your  
8 hands.

9 [Applause]

10 MS. SLESINGER: And I'm paying a babysitter  
11 to be here all day.

12 MS. DAWN LIPPERT: Thank you. My name is  
13 Dawn Lippert. I've been a 25-year year-round  
14 resident. So I'm here in the off season. I've  
15 written an email to the Public Service Commission  
16 stating my concerns for EMS, fire, the school issues.  
17 To be in compliance with the SEC we have to have, you  
18 know, ability to--for the children to take their  
19 tests online, but I covered all that in my email.

20 But what has come really to a concern is the  
21 basic bottom line that Verizon wants to make a  
22 profit, and by kicking it over to Verizon Wireless,  
23 from what I understand, is a different company,  
24 they're not under the, you know, obligations that  
25 they had gotten being state of last resort giving us

1 landline. All Verizon can do is give us landline.  
2 They don't have the wireless capabilities, which  
3 means they'll have to subcontract it out to Verizon  
4 Wireless. My concern is if you, you know, give them,  
5 you know, what they're appealing for, they'll just  
6 drop kick to Verizon Wireless and that's it. We'll  
7 never get a landline again. And so--and which takes  
8 them out of the regulatory obligations that they have  
9 since, you know, wireless is not regulated. And my  
10 concern, would we have recourse if we start having  
11 problems with them. You know, do we have the appeals  
12 of the Public Service Commission?

13 So I am just basically wanting to add to my  
14 email concerns, which is all the safety with the  
15 previous person. That would be horrible if a child  
16 is hurt and she cannot get EMS services, a house  
17 burns down because their monitoring system didn't  
18 work, you know, someone dies because their, you know,  
19 defibrillator information can't go through. And, you  
20 know, school stuff, you know, but that's minimal  
21 compared to the ability to have the fire and safety  
22 and EMS ability established.

23 And, quite frankly, letting Verizon getting-  
24 -get out of what they--you know, they wanted New  
25 York. They get the good with the bad. Fire Island

1 is going to cost them money and they should just buck  
2 up and do it, and not get out of their obligation by  
3 drop kicking it to Verizon Wireless, which is another  
4 company, and that's the only way you get Voice Link.  
5 Fortunately, I don't have to have it so far because,  
6 knock on wood, but I guess if they get what they're  
7 asking for I won't have a choice. They'll just take-  
8 -they'll just cut the whole landline system because  
9 if they're not obligated to service it they won't  
10 have to. So I please, please, please don't give them  
11 what they want, their, you know, ability to get rid  
12 of us. Thank you.

13 [Applause]

14 ALJ PHILLIPS: Okay. I just want to double  
15 check again. The last two cards were Jim Hoey and  
16 Elizabeth Hubby.

17 MS. ELIZABETH HUBBY: I'm here.

18 ALJ PHILLIPS: Oh, okay.

19 MS. HUBBY: Hi. I'm Elizabeth Hubby and I  
20 am a summer person and an EMT spouse, but I actually  
21 come by my suspicions of the phone company honestly.  
22 My father basically originated enhanced 911, and he  
23 told me about some ways in which the whole 911 system  
24 should have greater scrutiny in terms of what  
25 corporations can get away with.

1 I'm actually quite happy that I was  
2 profitable for Verizon this year. I paid for my  
3 phone service all winter long and that meant that I  
4 didn't have to call Verizon and say "Please turn it  
5 on," and that's why I'm the only person I know who  
6 has DSL and has a working phone line. And so the  
7 reason I'm here basically, genetics, and because I  
8 feel that Verizon misrepresented, as you've heard,  
9 but I have my own take on it. Misrepresented how far  
10 gone the system was.

11 I think there's been no effort whatsoever to  
12 explain why my service had no problems and my  
13 neighbors were all unable even to try to see if their  
14 system would work. One had reported last week that  
15 she had been denied the chance to try it. After her  
16 name and number were put in, Verizon called her last  
17 week and said, "So, you weren't able to try your DSL.  
18 You weren't able to try your landline, but you've got  
19 Voice Link now so we can't try it anymore." So it's  
20 that fraud of saying the system was wiped out that I  
21 am most offended by, and I hope that basically we can  
22 count on you to protect us.

23 A profit seeking corporation doesn't really  
24 care if you walk through the streets of Ocean Beach  
25 and you see a lot fewer people. People can't rent

1           their houses because they don't have internet to  
2           provide. And we know we're going to go underwater in  
3           another 100 years but we'd really rather not lose our  
4           communities now. Thank you.

5                       [Applause]

6           ALJ PHILLIPS: I just want to check. Are  
7           there any other cards, Jill? Okay. Is there anyone  
8           who didn't fill out a card who wants to, who would  
9           like to, whose--

10                      MALE VOICE: - - .

11           ALJ PHILLIPS: Yes, yes. I just want to say  
12           thank you so much for coming out. Oh, sorry. I'm  
13           sorry.

14           MS. ALIX BICKSON: It's okay.

15           ALJ PHILLIPS: What is your name?

16           MS. BICKSON: My name is Alix Bickson and my  
17           family and I, we've been residents of Dunewood since  
18           I was born.

19           ALJ PHILLIPS: Okay. You didn't fill out a  
20           card though, right?

21           MS. BICKSON: No, I didn't. Am I still  
22           allowed to speak?

23           ALJ PHILLIPS: Can you just spell your name?  
24           Because we need to get it.

25           MS. BICKSON: Sure. A-L-I-X B-I-C-K-S-O-N,

1           Alix Bickson. I just wanted to state that the women  
2           before me said that she paid for a DSL throughout the  
3           winter and it still worked for her afterwards. My  
4           family paid for our DSL throughout the winter and  
5           that was not the case for us and that was not the  
6           case for many others as well.

7                     Just on a little note, I'm 21. I go to  
8           Middlebury College and there is a lot of people and a  
9           lot of discourse now that corporations run the world  
10          and that there's nothing that can be done to stop  
11          them, and that they can do whatever they want. And I  
12          know that this is a small case and this is a small  
13          island and we're a small group of people, but please  
14          help us to prove that that's not the case, so that  
15          corporations can't try and do this to other people  
16          throughout the country as well. Thanks.

17                    [Applause]

18                   ALJ PHILLIPS: Thank you. Is there anyone  
19          else who hasn't--

20                    [Inaudible conversations]

21                   ALJ PHILLIPS: Okay. Let--I'm sorry,  
22          before we--before we do this, because you're voices  
23          are not going to be captured unless you're on the  
24          microphone. I just want to close out the hearing but  
25          we'll stay here and talk to you for as long as you



1 need us to. Let me just finish. So I did want to  
2 say thank you because I know some of you have been  
3 here for the whole thing like me. Thank you so much  
4 for coming out. We really do want to get your input.  
5 This is helpful to us and I know it's very hard to be  
6 inside on a day like today. So thank you for your  
7 input and your comments.

8 Again, if you need to add to your comments,  
9 if you want to provide additional information, there  
10 are numerous ways that you can still do that. We ask  
11 that you do that by I believe it's September 13th, so  
12 that we'll have time to analyze your comments and  
13 make sure that they're reflected.

14 As far as the schedule, my only  
15 understanding is that there is a further report that  
16 will be due, and then I don't think there has been a  
17 date established for a decision because that will  
18 have to be reviewed and I think as the staff  
19 indicated earlier they're still doing their  
20 investigation as well. So it's all on DMM. If you  
21 go and type--I'm sorry, our Document Management  
22 Matter system. If you go in and type the case number  
23 you should be able to follow everything as it happens  
24 because it will be on that public website.

25 So again thank you so much. We are formally

1 adjourned and off the record. Thank you.

2 [Applause]

3 [END OF HEARING]

C E R T I F I C A T E

I, Brandi Dean, certify that the foregoing transcript of proceedings in the New York State Department of Public Service, Case 13-C-0197 - Public Statement Hearing Verizon New York, was prepared using the required transcription equipment and is a true and accurate record of the proceedings.

Signature: 

Date: August 26, 2013